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IN S I G H T S  i n t o  E D I T O R I A L

1. THE STATE OF INDIAN PRISONS

Context:

- In the midst of the election process this year, the release of the **data-driven report, the Prison Statistics India 2016**, published by the National Crime Records Bureau (NCRB) in April went largely unnoticed.
- The National Crime Records Bureau (NCRB) is an attached office of the Ministry of Home Affairs.
- It was established in 1986 with a mandate to empower Indian Police with information technology solutions and criminal intelligence.
- This edition of the report is different from its earlier versions on account of its omission of **certain key demographic data**. Despite these gaps, the report raises a number of red flags signalling the rot in India's prison system.

The Prison Statistics India 2016:

- The report tells us that at the end of 2016, there were 4,33,033 people in prison; of them **68% were undertrials**, or people who have **yet to be found guilty** of the crimes they are accused of.
- **India's under-trial population** remains among the **highest in the world** and more than half of all undertrials were detained for **less than six months** in 2016.
- The most significant shortcoming of the report lies in the NCRB’s **failure to include demographic details** of religion and the Scheduled Caste and Scheduled Tribe status of prisoners, which are crucial to understanding India's prison population.
- This information was consistently published for the last 20 years and **instrumental** in revealing the **problematic overrepresentation** of Muslims, Dalits and Adivasis among under-trials in prisons.
- In 2016, out of 1,557 undertrials found eligible for release under **Section 436A**, only 929 were released. **Research by Amnesty India** has found that prison officials are frequently unaware of this section and unwilling to apply it.

Rising the incidents of Concern:

- The 2016 prison statistics do not mention the number of prison visits by official and non-official visitors which typically include district magistrates and judges, social workers and researchers.
- This is essential to uncover torture and other forms of ill-treatment, increase transparency and balance the power asymmetry in prisons.
- **Smuggling a prohibited article** into a prison is a punishable offence under Section 42 of The Prisons Act, 1894.
• The list of prohibited articles is long and varied: apart from mobile phones, it includes drugs, intoxicants, alcoholic drinks, smoking pipes, wireless sets, metal, expensive jewellery, arms and ammunition, explosive materials, and even items as innocuous as a rope or a pen nib.

• **Overcrowding and understaffing** are definitely critical issues.
  
  For Instance, in Uttar Pradesh, the State has 70 jails. Their total sanctioned capacity is 58,000. But the actual number of inmates is almost double that.

• At the same time, as against the **required staff strength** of at least 9,000 warders, the State has only 4,000. With such mismatched numbers, combating smuggling was never going to be easy.

• **Managing such a large number of prisoners** is not always possible. Those with the **means to bribe prison guards** waste no time in doing so, and they reach a tacit understanding.

• The prisoner also ensures his activities remain under the radar so that the guards do not get into trouble. As for the guards, they do everything from turning a blind eye to actively helping the smugglers.

**Mental health concerns: Need of psychologist or psychiatrist in Prisons:**

• The NCRB has said that about 6,013 individuals with **mental illness were in jail in 2016.**

• It does **not provide information** on whether these prisoners were diagnosed with mental illness before entering prison, making it difficult to determine whether prison conditions worsened their plight.

• The relevance of prison visits is underlined by the **number of “unnatural” deaths** in prisons, which doubled between 2015 and 2016, from 115 to 231.

• The **rate of suicide among prisoners** also increased by 28%, from 77 suicides in 2015 to 102 in 2016.
  
  For context, the National Human Rights Commission in 2014 had stated that on average, a person is one-and-a-half times more likely to commit suicide in prison than outside, which is an indicator perhaps of the **magnitude of mental health concerns within prisons.**

• The report states that there was **only one mental health professional** for every 21,650 prisoners in 2016, with only six States and one Union Territory having psychologists/psychiatrists.

• Odisha, Uttar Pradesh and Madhya Pradesh, the three States with the **most prisoners with mental illness**, did not have a single psychologist or psychiatrist.

• In **2017, the Law Commission of India** had recommended that undertrials who have completed a **third of their maximum sentence** for offences attracting up to seven years of imprisonment be released on bail.

  Perhaps the NCRB should consider including the number of such undertrials in its upcoming report for informing the policy on the **use of undertrial detention.**

**Conclusion:**

• The NCRB’s **apparent reluctance** to be prompt and open about its prison statistics does not bode well for the democratic discourse in India.

• This suggests that the high proportion of undertrials in the overall prison population may be the result of **unnecessary arrests and ineffective legal aid** during remand hearings.

• “**Manpower is also an important factor,**” says the official. “While there are several **vacant posts** in the Prisons Department, almost all the prisons in most places are **filled beyond capacity.**

• Finally, **improving prison conditions** has no political leverage. Just as humane prisons do not win votes, the bad ones do not lose votes for any political party.

• All things considered, the report has important information which can be used to facilitate a **dialogue on improving prison policies.**

• As long as there are no stakes here for lawmakers, one can hardly **hope for model prisons**, where inmates are accommodated with due regard to **their basic human needs and are handled with dignity.**

2. AMONG MEMBERS: ON G-20 OSAKA SUMMIT

**Context:**

• Recently the 11th G20 Summit was held in Osaka, Japan on 28th-29th June, 2019.

• The G-20 is an **international forum for the governments and central bank governors.** On the name of its members its name is termed as the G-20.

• G-20 was founded in 1999 with the aim to discuss policy pertaining to **the promotion of international financial stability.**
• Group of 20 or (G-20) is the main forum for deciding the opinion on many international economic cooperation and some other critical issues like terrorism, human trafficking, global warming etc.
• The G20 Summit is formally known as the “Summit on Financial Markets and the World Economy”.

G20

G8

G7

Turkey  European Union  Argentina

Brazil  South Korea  Mexico

China  Indonesia  Saudi Arabia

Australia  India  South Africa

Group of 20 or (G-20) is the main forum for deciding the opinion on many international economic cooperation and some other critical issues like terrorism, human trafficking, global warming etc.

Crucial Happenings in G20:
• On issues such as ocean pollution management, gender equality and concerted efforts to fight corruption, the G-20 found consensus more easily. The G20 Summit 2019 was based on discussions on subjects like trade, energy, climate change etc.
• India targeted to become a five-trillion dollar economy in the next five years.
• Further India pledged to make Social sector as its top priority and resolve to focus on infrastructure development, especially digital infrastructure.
• However, Indian PM also highlighted the deficiency of resources, underlining that “there is a shortfall of almost $1.3 trillion investment in the infrastructure.
• On the sidelines of G-20 summit, India and Japan signed exchange of Letter of Intent on Ahmedabad – Kobe Sister City Partnership.
• India also invited the G20 countries to join a global coalition on disaster resilience, saying disasters require quick and effective remedial measures as they invariably affect the poor the most.
• India and Indonesia set an ambitious USD 50 billion targets for bilateral trade over the next six years.
• India sent a tough message by refusing to attend the digital economy summit pushed by Japanese Prime Minister Shinzo Abe, as his plan for “data free flow with trust”, included in the G-20 declaration, runs counter to the Reserve Bank of India’s proposed data localisation guidelines.
• The U.S. wrote in a counter to the paragraph praising the Paris accord, while trade protectionism was not mentioned in the document.
• Indian PM (his sixth G-20 summit) held many plurilateral meetings with other world leaders like heads of Russia, USA, Japan, China etc.

Importance of G20:
• It is worth to mention that G20 members represent around 85% of global GDP, over 75% of global trade, and two-thirds of the world’s population.
• The G20 Presidency rotates annually according to a system that ensures a regional balance over time.
• The G20 does not have a permanent secretariat. Instead, the G20 president is responsible for bringing the G20 agenda in consultation with other members. G20 is an informal political forum.
• A Sherpa is a personal representative of the leader of a member country at an international Summit meeting such as the G8, G20 or the Nuclear Security Summit and are responsible for thrashing out the details before the meeting of the leaders.
India and the US discussed various bilateral and global issues including Iran, 5G communications networks, trade and defence ahead of the G-20 Summit.

Tri-Lateral Meetings of JAI and BRICS:

Along with that India also participated in two parallel tri-laterals i.e the Russia-India-China (RIC) and Japan-U.S.-India (JAI) and an informal BRICS summit.

JAI Trilateral: Three countries discussed issues of the Indo-Pacific region, connectivity and infrastructure development. It was the second Japan-America-India (JAI) meeting.

Informal BRICS meet: India stressed the need to stop all the mediums of support to terrorism and racism. Indian PM called terrorism “the biggest threat to humanity” which kills innocent and severely affects economic development and social stability.

India is taking aggressive steps to mitigate the effects of climate change and is expanding its renewable energy generation rapidly. It is also encouraging its automobile industry to shift to electric mobility in a big way.

Russia-India-China (RIC):

Russia-India-China (RIC) trilateral on the sidelines of the G20 summit in Osaka, President Xi urged the three countries, to “expand cooperation in 5G network, high technology, connectivity, energy and other areas,”. He also called for reforming the World Trade Organisation (WTO), based on consensus.

China pointed out that the rise of protectionism and unilateralism had seriously affected the stability of the global landscape, dragged down world economic growth.

It exerted a negative impact that cannot be ignored on the international order on which emerging-market countries and developing countries depend.

The 5G technology, can interlink the mobile internet with manufacturing. It is at the heart of the “fourth industrial revolution,” which will result in factories being run by robots, driverless vehicles and enabling remote surgeries.

Reducing the Trade Tensions another important concern:

The most anticipated were President Trump’s meetings with his Chinese Xi Jinping and Mr. Modi, given the escalation in trade tensions. Both ended on a cordial note, but with no breakthrough or “big deals”.

The Indian and U.S. Commerce Ministers will sit down again, to try to resolve the impasse over trade issues, and the U.S. and China have called a halt to raising tariffs until they resolve issues.

Both come as a relief to India, given the impact of those tensions on the national and global economies.

Mr. Modi raised several Indian concerns at the G-20 deliberations, including the need for cooperation on dealing with serious economic offenders and fugitives, as well as climate change funding. This found its way into the final declaration.

PM Modi discusses terrorism threat at informal BRICS meet on G20 Summit sidelines:

Speaking at the informal BRICS meeting, PM Modi said, “Terrorism is the biggest threat to humanity. Not only it takes lives of the innocents, it negatively affects economical development and communal harmony. We have to stop all mediums of support to terrorism and racism.”

He also highlighted the need to brings reforms into the World Trade Organisation (WTO) in order to ensure equal growth for all.

PM Modi also observed that global economy is being ruled by one-sided decisions.

During the Japan-America-India trilateral meeting, Modi highlighted “the importance India attaches to” the grouping.

Conclusion:

The G-20 is an important platform to discuss pressing issues, and it must not be detracted from its original purpose of promoting sustainable growth and financial stability by grandstanding by one or two members.

Many global challenges, such as climate change and its impact, the balance between the needs for speed and national security with 5G networks being introduced, as well as technology-driven terrorism, will become even more critical for the grouping, and the government must articulate its line.

With Saudi Arabia hosting the next G-20 in 2020, followed by Italy in 2021, all eyes will soon turn to the agenda India plans to highlight when it holds the G-20 summit in 2022.
India should lead the exercise in making the G-20 more effective in dealing with some of the inequities in its system.

3. IMITATION REGISTRY: ON NAGALAND NRC

Context:
• The Nagaland government has initiated a move to implement its own version of citizenship register, albeit only for indigenous communities of the state.
• The exercise to prepare the Register of Indigenous Inhabitants of Nagaland (RIIN) will start from 10 July and will be completed in 60 days, according to a notification issued by Home Commissioner.

Register of Indigenous Inhabitants of Nagaland (RIIN):
• The RIIN list will be based on “an extensive survey”. It will involve official records of indigenous residents from rural and (urban) wards and would be prepared under the supervision of the district administration.
• The aim is to prevent fake ‘indigenous inhabitants’ certificates. The RIIN will be the master list of all indigenous inhabitants of the state.
• The process will be conducted across Nagaland and will be done as part of the online system of Inner Line Permit (ILP), which is already in force in Nagaland.
• The list will be prepared after an extensive survey of village-wise and ward-wise list of indigenous inhabitants, based on official records, under the supervision of district administration.
• The RIIN teams will visit each house and make a list of the indigenous inhabitants actually residing there.
• The entire exercise will be monitored by the Commissioner of Nagaland. In addition, the state government will designate nodal officers of the rank of a Secretary to the state government.
• Their role will be to monitor the implementation, and will have no say in the adjudication process.

This unique identity is a part of the online system of Inner Line Permit (ILP):
• Based on the adjudication and verification, a list of indigenous inhabitants will be finalised and each person will be given a unique ID.
• The final list or the RIIN will be created and its copies will be placed in all villages and wards.
• Electronic copies of the list will also be stored in the State Data Centre. A mechanism or electronic and SMS-based authentication will be put in place.
• All indigenous inhabitants of the state would be issued a barcoded and numbered Indigenous Inhabitant Certificate.

RIIN identity will be in line with ILP:
• The process will be conducted across Nagaland and will be done as part of the online system of Inner Line Permit (ILP), which is already in force in Nagaland.
• Inner Line Permit (ILP) is an official travel document required by Indian citizens residing outside certain “protected” states while entering them.
• The ILP is issued by the Government of India and is obligatory for all those who reside outside the protected states.
• With the ILP, the government aims to regulate movement to certain areas located near the international border of India.

What about those excluded from the list?

• The notification issued by Nagaland states “in case anyone who is left out of the RIIN, he/she will need to file an application before Home Commissioner who will get the matter verified and take necessary action for updating the RIIN if needed.”
• Once the RIIN is finalised, no fresh indigenous inhabitant certificate will be issued except to newborn babies born to the indigenous inhabitants of Nagaland.

RIIN should be precarious of issues like of NRC:

• The NRC experiment in Assam witnessed extremely divisive political posturing.
• Other North-eastern states are sure to be watching with keen interest what is unfolding in Assam and Nagaland.
• The Assam experiment has no clear end-point. Bangladesh has repeatedly suggested that the process going on in Assam is “an internal matter” of India, implying that there is no deportation possibility here.
• Other than deepening the existing fault-lines in its own State and rendering the situation even more volatile, it is unclear what the Nagaland government hopes to achieve through the exercise.
• The right to appeal and a humane hearing should be in-built in this exercise.

Conclusion:

• Government directed all Deputy Commissioners to ensure that the teams were constituted by name, within a week of the notification.
• In the complex demographies of North-Eastern States, it may prove to be difficult.
• In Nagaland, various local attempts have been made previously to determine non-locals, non-tribals and non-nagas.
• Two years ago, a town near dimapur passed a resolution to place curbs on illegal Bangladeshi immigrants. Already it is volatile region, where the Armed Forces Special Powers Act is routinely extended.
• RIIN should not become a vehicle to determine outsiders / insiders. It is expected to deepen the existing fault-lines.
• Emotive political issues cannot be allowed to drive the compiling of a registry of citizens.

4. A THUMBS DOWN TO UNILATERALISM

Context:

• U.S. has decided to undermine the WTO’s dispute settlement mechanism and walk down the path of unilateralism instead.
• Recent trade war between India and USA wherein the author argues that US has been unfairly targeting India for its trade policies.
• Economic relations between India and the United States are on a knife-edge after the U.S. took a series of unilateral actions against India’s exports, that began in 2018, followed by India’s recently announced retaliatory move of increasing tariffs on 28 products imported from its largest trade partner.
• As a result of these developments, India has become the Trump administration’s most significant target after China.

• US Secretary in his recent statement that “The United States has been clear we seek greater market access and the removal of trade barriers in our economic relationship.”

• US President Donald Trump may call India the “tariff king”, but data show New Delhi has exercised “maximum self-restraint” in taxing imports.

• While India’s average bound rate or the maximum duty it is allowed to charge under the World Trade Organization (WTO) framework is as much as 48.5%, its actual applied tariff is as low as 13.8%, according to the WTO data. On a trade-weightage basis, the tariff is even lower just 7.5%.

• In contrast, China’s applied tariff of 9.8% is almost as high as its permissible limit (bound rate) of 10%, while South Korea’s is 13.7% against 16.5%. Importantly, at an average of 3.4%, the actual US tariff is as much as it is allowed to slap.

Background:

• Some of the major instances where the U.S. has questioned India’s trade and other related economic policies.

• In the past, U.S. agencies in particular, the Office of the United States Trade Representative (USTR) and the United States International Trade Commission (USITC) have “investigated” India’s trade policies, the conclusions of which have been used by the administration to demand changes in policies that would benefit American businesses.

• The latest demands stem from two extensive USITC investigations which were conducted between 2013 and 2015 on India’s trade, investment, and industrial policies.

• These investigations were carried out at the request of the U.S. House Committee on Ways and Means and the U.S. Senate Committee on Finance “under Tariff Act of 1930, regarding Indian industrial policies that discriminate against U.S. imports and investment for the sake of supporting Indian domestic industries, and the effect that those barriers have on the U.S. economy and U.S. jobs”.

• The first of these investigations, the report of which was submitted towards the end of 2014, covered only the opening months of the first Narendra Modi government, following which a second request was made by the two Congressional Committees to investigate the performance of the government in its first year in office. This report was submitted in September 2015.

India is to follow WTO Rules and Regulations not US’s:

• Since the establishment of the WTO, India’s policies have mostly been consistent with its commitments; where they have not been, other WTO members have approached the dispute settlement body of the organisation to make India fall in line.

• The fact that the U.S. is not approaching the WTO to challenge India’s trade and investment policies that American businesses find detrimental to their interests implies the following: India’s largest trade partner is acting in defiance of agreed rules to target India’s WTO-consistent policies.

• Take, for instance, India’s high tariffs which have left Mr. Trump greatly perturbed.
  o These tariffs were agreed to in the Uruguay Round negotiations in consultation with all members of the organisation.
  o Moreover, in the period since, India has lowered tariffs on many agricultural and industrial products.

• Contrast this with the U.S.’s position wherein it continues to defend its high levels of agricultural subsidies which are used for lowering commodity prices to levels at which no other country can have access to its domestic market.

• Thus, the U.S. does not need tariffs to protect its agriculture; it uses subsidies, instead.

• The WTO also informs India that the U.S. also uses very high tariffs on tobacco (350%), peanut (164%) and some dairy products (118%).

Propriety and procedures:

• The main message that was conveyed by these investigations was that American businesses strong disapproved several of India’s key policies on trade and investment and that these policies had to be amended.
• The investigations **conducted by the U.S. agencies** raise several **issues of propriety, procedures and substance**.

• These three dimensions need to be understood well for this is the only way in which the Government of India can prepare appropriate responses to the persistent questioning by the U.S. administration of its **trade and investment policies**.

**The first is the Issue of Propriety:**

• It is important to mention here that all of India’s trade-related policies (which include intellectual property rights that were investigated and questioned in the **two USITC reports**) were done under the cover of the U.S.’s domestic laws.

• This is **tantamount to unilateralism**, the response to which should be an unequivocal “no” in this age of multilateralism, where differences on policy issues between sovereign countries must be resolved in the appropriate multilateral forums.

• The possibilities of a stronger power using unilateral means should be eliminated. It is in this spirit that the **General Agreement on Tariffs and Trade (GATT)** was established as an integral part of the post-war global economic governance. GATT was replaced by the **World Trade Organization (WTO)** in 1995.

• The areas that were investigated by the USITC during the two investigations were also those that are covered by the WTO.

• Therefore, propriety and global trade rules demanded that the concerns of American businesses about India’s policies had to be addressed within the WTO through consultations among the members.

• The main purpose of the GATT/WTO is to provide a **forum for the resolution of disputes** by following multilaterally agreed rules.

• The global community agrees that this would be the **best way of preventing countries from getting into trade wars**, which had pushed the global economy into the depression of the 1930s.

• The **only country disagreeing** with this position is the U.S.; it seems intent on pushing its trade partners into trade wars.

**The Second is the Issue of Procedure:**

• The worrying concern is the **procedure of conducting the investigations**.

• This was **deeply flawed** for it provided a platform for vested interests in the U.S. to make common cause against India’s policies.

• What is more, in these investigations, U.S. government agencies have been **not only acting as the judge and the jury** but also **actively engaged in getting the findings** of the investigations implemented.

• As mentioned earlier, the substance of the investigations touched trade-related issues that are covered by the WTO agreements.

**Way Forward:**

• The **India-U.S. discord over trade** stems from a deep-seated desire of U.S. businesses to have a bigger footprint in the Indian economy, and to achieve this goal, the **administration is stepping beyond legitimate means**.

• “Great friends are bound to have disagreements”. In fact, the basis of the discord lies in the way the U.S. has been targeting India’s policies, disregarding the rule of law.

• Under these circumstances, the Government of India would have **focus on two fronts:**
  - To remain engaged with its **largest trade partner** and
  - To also **engage actively with the global community** to make the U.S. understand the imperatives of a **rules-based trading system**.

5. **LESSONS FROM BHUTAN**

**Context:**

• Bhutan has recently announced a policy wherein **Bhutan’s teachers, doctors and other medical staff will earn more** than civil servants of corresponding grades.

• The **new salary scales** will benefit about 13,000 teachers and doctors. This is a novel move.
The policy’s tonal reference is to be found in Bhutan’s 12th Five Year Plan (2018-23), published by its Gross National Happiness Commission, the country’s highest policy-making body.

These words are highlighted in OECD’s ‘Education at a Glance 2018’ report: “The quality of education can be a strong predictor of a country’s economic prosperity.

Outclassed
Children who reached the expected standard in reading after completing four school years, 2013, %

<table>
<thead>
<tr>
<th>Country</th>
<th>% of children who did not complete four school years</th>
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<tr>
<td>Netherlands</td>
<td>0</td>
</tr>
<tr>
<td>Germany</td>
<td>4</td>
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<tr>
<td>United States</td>
<td>6</td>
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<td>Kenya</td>
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<td>Morocco</td>
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</tr>
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<td>Mali</td>
<td>35</td>
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Sources: UNESCO; The Economist

Inspired or fanciful: Examining the policy’s educational aspect

- Is the proposal part of a coherent strategy, or an inspired announcement that is resolute in intent but likely effete in effect?
- The commission’s strategy to achieve desired national outcomes through education opens with the notation, “making teaching a profession of choice”.

Economist.com
The proposal then is evidently at the core of a larger governmental strategy to achieve the country’s human developmental objectives.

The decision also comes in the wake of high levels of teacher attrition, especially the best. Clearly, the government has formulated the policy as a styptic to stop the serious haemorrhage.

The Organisation for Economic Co-operation and Development’s Programme for International Student Assessment (PISA) is a worldwide study that measures and compares student ability in reading, mathematics, science and global competence, with financial literacy an option.

Development’s Programme for International Student Assessment (PISA) highlighted that Policies act as levers that governments use to achieve desired results in focus areas.

The results of Bhutan’s policy, if implemented, will take a few years to emerge for critical evaluation. It is, however, based on credible research.

The fiscal implications:

Bhutan already spends about 7.5% of its GDP on education. The fiscal implications of the new salary structure are unclear now.

Generally, teachers constitute a considerable portion of government employees. Therefore, in India, centre and state governments looking to emulate Bhutan’s lead will inevitably be asked questions about the financial viability of such a momentous administrative decision.

For instance, the Minister concerned in Tamil Nadu, one of India’s better performing States on educational indices, turned down demands of striking teachers for better pension explaining that wages, pensions, administrative costs and interest repayments already amounted to 71% of the State’s expenditure. They asserted it leaves little for other developmental programmes.

Can India afford a similar policy?

A World Bank study found that teacher absenteeism in India was nearly 24%, which costs the country about $1.5 billion annually.

Absenteism could be the result of many factors, including teachers taking up a second job or farming to boost incomes, providing parental or nursing care in the absence of support systems, or lacking motivation.

India currently spends about 3% of its GDP on education, accounting for about 10% of the Centre’s and States’ budgetary expenses and salaries of teachers and other staff constitute a large portion of this expenditure.

The NITI Aayog in its report last year recommended that India raise this to 6% of GDP by 2022.

Paying teachers significantly higher salaries may seem like a difficult task, but the Central and State governments could consider rationalising both teacher recruitment and allocation of funds to existing programmes.

Some programmes may have outlived their purpose, while others could be better directed. In fact, improving accountability in the system could lead to reduction in cost.

Hence, the incentive of a desirable income with strong accountability, can help mitigate many ills that plague the system, free fiscal space and help meet important national developmental objectives.

Budget 2019: Allocation for school education up 12.8%, higher education by 14.3%:

The government has proposed to establish a National Research Foundation (NRF) to fund, coordinate and promote research in the country. NRF will assimilate the research grants being given by various ministries independent of each other.

National Education Mission, also called Samagra Shiksha, consists of schemes like Sarva Shiksha Abhiyan (elementary education), Rashtriya Madhyamik Shiksha Abhiyan (secondary education) and teachers training, adult education.

The Finance Minister said the government will bring in a new National Education Policy to transform India’s higher education system to one of the global best education systems.

There is need for Better Governance framework within the education sector and the government’s announcements like bringing reforms in the Higher Education Regulatory Arms to promote greater autonomy and focus on better academic outcomes.

The allotment of Rs.400-crore for “World Class Institutions” are steps in the right direction to build a robust education system;
• There is a need for the legislation to set up Higher Education Commission of India (HECI). However, this right intent of the government can only truly be attained if we also have long-term strategy and organisational structure in place.

Easier in implementation for Smaller states like Delhi:
• Implementing a policy may be easier in a smaller State, say Delhi.
• Education is a key focus area for the Delhi government, the State invests 26% of its annual budget in the sector (much more than the national average).
• The administration has also worked on improving teacher motivation as a strategy for better educational outcomes.
• The base has been set. Moreover, since the State is highly urban and well-connected, it would be easier to enforce accountability measures.

Conclusion:
• Governments intent on improving the quality of education they offer must step out of incrementalism in policy-making.
• No investment that enables an educated, healthy, responsible and happy Community can be deemed too high by any society.
• Improving teacher status by offering top notch salaries to attract the best to the profession could be that revolutionary policy-step forward, which Bhutan has shown a willingness to take.
• No other country has accorded teachers and doctors such pride of place in its government service, both in terms of remuneration and symbolism.

6. SEARCHING FOR REFORM SIGNALS

Budget 2019:
• There were high expectations from the Budget to provide a clear road map for much-needed reforms, given that the government received an unprecedented electoral mandate.
• The GDP growth in the last quarter of 2018-19 was the slowest in the last five years, and considering that the capacity utilisation in manufacturing has already peaked, reviving the investment climate is critical to accelerate economic growth.
• The unemployment rate, which is 6.1%, is the highest in four decades. With the Economic Survey making a pitch for creating a virtuous cycle of saving and investment, there was hope that there would be far-reaching announcements in the Budget.

Will the Budget lead to greater investment in the economy?
• The government has said it will invest heavily in infrastructure and in the digital economy.
• The Budget does talk of proposed investments of Rs 100 lakh crore over the next five years in infrastructure, which could be in roads and few other sectors.
• But more clarity on that could perhaps come later after the government finalises the structure of long-term financing and a new long-term development financial institution to fund such projects.
• On the face of it, there does not seem to be any major trigger or incentive for firms to commit more capital.

Revive the investment climate:
• The revival of the economy requires the revival of the investment climate. A recent OECD study has shown that corporate taxes in India are very high amounting to almost 48% when the dividend distribution tax and surcharges are taken account of.
• The Budget in 2015-16 promised to bring the basic rate down to 25%. This was implemented for companies with a ₹250 crore turnover in the 2018 Budget; the present Budget increases it to ₹400 crore.
• Although these companies cover 90% of the number of companies, their tax payment is less than 10-15%.
• If large investments have to be attracted, then the reduction should have been general and the scaffolding approach can only disincentivise the companies to grow bigger and better. This only discourages the companies from becoming larger.
While the Economic Survey is eloquent about the need to transform the ‘dwarfs into giants’, the various measures taken in the Budget to incentivise the MSMEs amount to reiterating that ‘small is beautiful’.

Disinvestment policy is key to revive Investments:

- A major source of additional revenue projected in the Budget is by having an active disinvestment policy. Disinvestment is expected to generate ₹1,05,000 crore, which is almost ₹15,000 crore higher than what was taken in the interim Budget.
- The Budget speech also speaks about an active disinvestment policy beginning with Air India.
- Another source of revenue which is expected to increase is the dividend. This amounts to ₹1,63,528 crore, which is ₹21,457 crore more than what was estimated in the interim Budget. Much of this will be from the Reserve Bank of India (RBI).

To improve and reform Labour laws to Increase the Investment Environment:

- The most important reform measure in the Budget is the proposal to streamline multiple labour laws into a set of four labour codes.
- Although the details are not yet available, it is hoped that the government will embark on the much-needed reforms in this area. This is a contentious issue that has been long debated.
- The Economic Survey too has referred to the need to make the factor markets less distorting and the disincentives these laws create in ensuring optimal sizes.
- Hopefully, the government will address this in the interest of increasing employment and exports of labour-intensive goods.

Balancing the books of Revenue and Capital Expenditure:

Finance Minister has a difficult job of balancing the books, particularly when the revenues are not buoyant and demands for expenditure are high.
• From that perspective, it is noteworthy that she has tried to show her commitment to the process of fiscal consolidation by keeping the fiscal deficit budgeted at 3.3%.
• The revenue is lower by ₹55,463 crore compared to the interim Budget estimate but this is offset by non-tax revenue estimated to be higher by ₹40,532 crore.
• Thus, there are not many significant departures from the estimates of revenue and expenditure presented in the interim Budget.
• The gross income tax revenue is estimated to be lower than the interim Budget by ₹90,000 crore, mainly on account of lower GST (₹97,857 crore) and individual income tax (₹51,000 crore).
• Despite taking lower estimates, the revenue estimates look far too optimistic in comparison with the pre-actualls given by the Controller General of Accounts.
• To realise the Budget estimates, the increase over the actual tax collected in 2018-19 in gross tax revenue will have to be 21.2%, net tax revenue must rise by 25.3%, and the non-tax revenue will have to increase by 27.2%.

The reform front:
• There are very few measures that can steer the economy to acceleration, leave alone changing gear to achieve the aspirational goal of achieving 8% growth to reach a $5 trillion economy by 2024.
• The objective of ‘Make in India’ should be to make the economy competitive and not to dish out higher cost, inferior products to domestic consumers.
• However, By selective increases in customs duty and by varying the rates based on whether the item is an intermediate good, capital good and final consumer good, the Budget has caused the effective rate of protection on many items to be much higher than the nominal rates. This can create unintended distortions. This is clearly retrograde.
• One of the major initiatives needed at the present juncture is to reform the banking system.
• The Budget allocates ₹70,000 crore for the recapitalisation of public sector banks, but is silent on the urgently needed structural reforms including governance reforms.
• Nor are there any concrete measures to deal with the Non-Banking Financial Companies crisis apart from empowering the RBI to undertake the regulatory function.
• Not that everything has to be done in the Budget, but events have shown that there is a need to improve both the legal framework and governance system.
• Consolidation of public sector banks cannot serve the purpose of changing the structure of incentives and accountability.

What is the impact on the middle class?
• In keeping with the goal of housing for all, the finance minister announced measures to boost both the demand and supply of affordable housing in India.
• To boost demand, the Budget provided an additional deduction of Rs 1.5 lakh for interest paid on loans for an affordable house that is valued up to Rs 45 lakh. This implies that a person purchasing an affordable house can now avail of an enhanced interest deduction of Rs 3.5 lakh.
• The Budget has also proposed that public infrastructure and affordable housing be taken up on land parcels held by the Centre. This could help boost the supply of affordable housing.
• On the other hand, the finance minister announced higher taxes on petrol and diesel. Consequently, consumers will have to pay roughly Rs 2.50 per litre of petrol and diesel.

Conclusion:
• In a way, yes, with the government’s decision to borrow from the international debt markets for the first time.
• That’s a move which has been in the making for a couple of decades but on which successive governments could never move ahead.
• The government also appears to be sliding into a protectionist mode, going by the increase in customs duty on everything from cashew kernels to PVC, newsprint and even auto parts.
• While some of it may be well-intentioned to promote domestic manufacturing, this sends out a retrograde signal on the reforms front.
7. THE MACRO DOES NOT GEL WITH THE MICRO

Introduction:

- The India Budget 2019 describes with admirable practicality what we would like to see in India, but it is not convincing on how we can have the growth to afford the same.
- The budget was nevertheless marked by an even-handedness and attention to detail that is rare.
- The first was seen in the methodical way in which Finance minister ranged over the areas — manufacturing, Gramin India, Shahari India, women, and the youth.
- One of the many instances in which the second was evident is in the elaboration of the proposed elimination of human interface in the conduct of scrutiny for taxpayers.

Wide variety of issues in Budget speech:

- The economy grew by just 5.8% in real terms in the last quarter of 2018-19. Yet, the Union Budget for 2019-20 assumes that the economy will grow this year by 12% in nominal terms, or by 7-8% in real terms.
- There was a disconnect in the speech. At the outset, Ms. Sitharaman appeared to assert that India is headed towards becoming a $5 trillion economy by 2024.
- However, much of the rest of her speech was concerned with what this economy would look like that there would be widely dispersed social and physical infrastructure; a low-carbon footprint; and housing for all, among other desirable things.
- There are neither any incentives for private investment nor support for public investment. To make matters worse, the Budget has actually projected a decline in central government capital expenditure (public investment) in 2019-20 by 6% in nominal terms.
- A major source of revenue mobilisation is to come from a higher cess and special additional excise duty on petrol/diesel. That is good for the Centre because cesses are not to be shared with the States.
- Of these, electrification, water and solar power may not require large outlays but they make a big difference to people’s lives, which portrays its actions in these areas as aimed at improving ‘the ease of living’.
- The infusion of ₹70,000 crore into public sector banks would be a significant contribution to easing the liquidity situation caused by non-performing assets.
- It is mentioned that this will be accompanied by governance reforms, though we do not know as yet what form they will take, which alone will determine how significant they will be.
- The package for the financial sector also includes a time-bound public guarantee to commercial banks that acquire assets of the presently troubled Non-Banking Financial Companies (NBFCs).
- This should bring some stability to the NBFC sector, instability in which would ruin the lives of hundreds of investors and choke lines of credit outside the banking sector.
- The proposals on taxation include changes in both tax liability and administration.

Micro & Macro Factors

**Micro**
- Economic factors operating within a business.
- Demand effects prices and output.
- Supply effects prices and output.

**Macro**
- Economic factors operating in the whole economy.
- Inflation
- Interest Rates
- Exchange Rates
- Unemployment
- Economic growth
- Globalisation

Budget 2019 mentioned 5 Themes:

There can be notice of five points in the Budget are to be highlighted:
1. Bank capitalisation and tax-related changes.
2. rural electrification to be completed by 2022;
3. a final push for water and sanitation,
4. making India open defecation free by October 2 this year;
5. encouraging solar power usage;
The exemption limit on the income tax has been raised but the surcharge has now been increased on those in the highest two tax brackets.

There is a balancing act here. Similarly, the upper limit for eligibility for the lowest slab of the corporate tax has been raised from ₹250 crore to ₹400 crore.

This is in line with the demands of India’s corporate sector but it may not be what is best for the economy at a time when the government needs as much revenue as it can garner to quicken it.

New era of tax administration:

- The Budget may have initiated a new era with respect to the tax administration.
- Compliance is to be made easier for the taxpayer. There are to be pre-filled tax returns and less human interaction in the event of tax scrutiny.
- There will be ‘faceless assessment’ through the use of an electronic mode.
- Face-to-face encounters between inspectors and the assesses will be eliminated, with notices sent from a central Income Tax cell.
- Some similar simplification is to be done in the sphere of the Goods and Services Tax too. The Minister is right to speak of all this as a “paradigm shift” in the functioning of the tax department.
- While it is surprising that the Finance Minister equated the ease of paying taxes with the ease of living in India, which must take far more into account, it is the case that individuals have experienced powerlessness when dealing with the tax department.

Critical View: Where the Budget fails:

- There is no mention in the Budget of public investment, stepping up of which would be essential even to stimulate private investment right now. Capital expenditure has been raised by much less than the actual increase in the past year.
- This Budget’s failing is in not setting out the means by which the government is to take the economy to the aspirational $5 trillion level.
- Barring unforeseen productivity surges, we must assume that investment holds the key. The Budget has nothing to say on the matter.
- At least the Economic Survey tabled earlier spoke of the importance of investment, even though it somewhat ideologically confined validity to private investment.
- Perhaps it is believed that the very return of this government is sufficient to release the ‘animal spirits’ of private investors.
- However, this would amount to overlooking the history since 2014. In this period, though there has been macroeconomic stability and much attention has been paid to the ease of doing business, private investment has declined.
- This points to the limits to confining yourself to the supply side when you are interested in growth, which this government is doing.

Conclusion:

- Moving to a $5 trillion economy by 2024 would require growing at a rate faster than the average that has been achieved since 2014.
- One way of seeing this Budget is that it is something good in parts. It describes with admirable practicality what we would like to see in India, from water connections to roads.
- But it is not convincing on how we can have the growth to afford them. We might say then that the macroeconomics does not gel with the microeconomics.

8. QUOTA POLITICS: ON U.P.’S MOVE TO CONFER SC STATUS ON 17 BACKWARD CASTES

Context:

- The government of Uttar Pradesh has included 17 communities belonging to the Other Backward Classes in the Scheduled Castes list.
- A decision to this effect was taken and authorities have been directed to issue certificate to families belonging to these 17 castes.
• The additions are — Nishad, Bind, Mallah, Kewat, Kashyap, Bhar, Dhivar, Batham, Machua, Prajapati, Rajbhar, Kahar, Pottar, Dhimar, Manjhi, Tuhaha and Gaur.

• This move is seen as an attempt by the Adityanath government to provide these socially and economically backward classes with the benefits of reservation after removing legal irritants that have stalled the issue in the past.

• The move will leave greater space in the OBC quota for the remaining OBC caste groups.

Why is it politically significant?

• According to an estimate by the UP Backward Classes Welfare Department, these 17 castes make up around 15% of the state’s population.

• A caste in the SC list gets more government benefits than one in the OBC list.

• Also, since the OBC population is large, there is close competition among OBC groups for reservation benefits. If these 17 castes are moved to the list of SCs, they will face less competition because the SC population is smaller.

Central government opposes UP move to shift 17 OBCs to SC List:

• Union Minister for Social Justice and Empowerment has said that the Uttar Pradesh government’s move to relist OBCs (Other Backward Classes) in the Schedule Caste list is unconstitutional and it is a transgression of Parliament’s jurisdiction.

• Article 341(1) of the Indian Constitution gives the president the power to notify which castes in the country, and in specific states come under the category of Scheduled Castes.

• Article 341 (2), the Parliament by law can include in or exclude from the list of Scheduled Castes.

• Scheduled Castes are those castes named in the Scheduled Castes order of the Government of India, promulgated in August 1950.

• The criteria for inclusion of a community/ caste in the Scheduled caste is extreme social, educational and economic backwardness arising out of traditional practice of untouchability.

Following due process of Law required to make changes in SC list:

• In the past also three-four similar proposals were sent to Parliament, but not agreed upon.

• Union ministry further said the state government should have followed proper procedure.

• Rajya Sabha Chairman M Venkaiah Naidu asked Social Justice and Empowerment Minister to advise the state government to follow due process.

• Raising the issue through a Zero Hour mention, Union minister of social justice Misra said under Article 341 sub clause (2) of the Constitution, the power to make changes in the SC list lies only with Parliament.

• “Even President does not have the power to tinker, alter or make changes (in the list),” ministry highlighted, adding these 17 castes will neither get benefits meant for OBCs nor SCs since a state government has no power to make any alteration to the SC list.

What is the distinction between an OBC and an SC?

• The yardsticks for recognising specific castes as SC and OBC are distinct.

• While extreme social, educational and economic backwardness are common qualifications for both groups, SCs draw such backwardness from untouchability.

• For OBCs, apart from social, educational and economic backwardness, lack of adequate representation in government posts and services is a criterion.
The positive rights guaranteed under the Constitution to SCs are to correct the historical wrongs of untouchability, and critics argue that addition of other castes in the group dilutes that guarantee.

**The procedures for listing a caste as an SC:**

- Between 1950 and 1978, six Presidential Orders were issued recognising specific caste groups as SCs.
- The name ‘Scheduled Caste’ derives from the fact that this is annexed as a Schedule to the Constitution.
- **Article 341(1)** of the Constitution prescribes the procedure for regarding castes as “Scheduled Castes”.
- As per the procedure to make additions or deletions to the Schedule by amending the concerned Presidential Order for a state under **Article 341(2)**, state governments first propose to modify the Schedule.
- Only proposals agreed by both the Registrar General of India and the National Commission for Scheduled Castes are introduced as a Bill in Parliament.
- This procedure was adopted by the Ministry of Social Justice and Empowerment in 1999 and was amended in 2002.
- A similar provision exists for Scheduled Tribes under Article 342.

**Conclusion:**

- The move could help carve out a vote bank from the newly declared SC groups.
- The U.P. government would be well-advised to avoid misleading vulnerable sections with the promise of SC status.
- The Bahujan Samaj Party, which has opposed the move both in Parliament and outside, understands that new additions would shrink opportunities for the existing castes in the SC list.
- That is why its leader, Ms. Mayawati, has hinted that the reservation pie can be shared among more claimants only if its size is increased.
- Union minister pointed out that the power of Parliament cannot be usurped by a state. Mr. Misra said the Union government should issue an advisory, clearly stating that the State government’s order was “unconstitutional” and should be withdrawn with immediate effect.

## 9. ZERO BUDGET NATURAL FARMING IN INDIA

**Introduction:**

- Zero Budget Natural Farming (ZBNF) is a set of farming methods, and also a grassroots peasant movement, which has spread to various states in India.
- It has attained wide success in southern India, especially the southern Indian state of Karnataka where it first evolved. The movement in Karnataka state was born out of collaboration between Mr Subhash Palekar, who put together the ZBNF practices, and the state farmers association Karnataka Rajya Raitha Sangha (KRRS).

**Importance of ZBNF highlighted in Economic Survey 2018-19:**

- The Economic Survey mentioned Zero Budget Natural Farming (ZBNF) along with Vedic Farming, Homa Farming and Cow Farming and how these “climate friendly” agricultural practices can enable “elimination of chemical pesticides” and restoration of soil organic matter and fertility.
- But an even bigger push for ZBNF and in the Union Budget speech of Finance Minister, where she talked of the need to “go back to basics” and “replicate this innovative model (that) can help in doubling our farmers’ income in time for our 75th year of Independence”.

**Four wheels of ZBNF to be implemented in practically:**

- The “four wheels” of ZBNF are ‘Jiwamrita’, ‘Bijamrita’, ‘Mulching’ and ‘Waaphasa’, says Palekar, a Padma Shri awardee.
  1. **Jiwamrita** is a fermented mixture of cow dung and urine (of desi breeds), jaggery, pulses flour, water and soil from the farm bund. This isn’t a fertiliser, but just a source of some 500 crore micro-organisms that can convert all the necessary “non-available” nutrients into “available” form.
  2. **Bijamrita** is a mix of desi cow dung and urine, water, bund soil and lime that is used as a seed treatment solution prior to sowing.
3. **Mulching**, or covering the plants with a *layer of dried straw or fallen leaves*, is meant to conserve soil moisture and keep the temperature around the roots at 25-32 degrees Celsius, which allows the microorganisms to do their job.

4. **Waaphasa**, or providing water to maintain the *required moisture-air balance*, also achieves the same objective.
   - Palekar also advocates the use of special ‘Agniastra’, ‘Bramhastra’ and ‘Neemastra’ concoctions again based on desi cow urine and dung, plus pulp from leaves of neem, white datura, papaya, guava and pomegranates for controlling pest and disease attacks.

**ZBNF success in Southern states:**

- **In Andhra Pradesh:** With its combination of *delta regions, arid and hilly tribal areas*, districts in Andhra Pradesh are similar to those in other parts of the country and could therefore serve as a model for replication.
- The approach taken to monitor the improvements is vital to understanding the *outcomes of large-scale changes* that are under way; this is critical to expanding the ZBNF to other States. As ZBNF is applied in India’s *various agro-ecological zones*, making farmers the innovators is essential.
- **Resilient food systems** are the need of the day given the variability of the monsoons due to global warming and declining groundwater in large parts of India.
- The *drought-prone Rayalaseema region* (Andhra Pradesh) is reportedly seeing promising changes already in farms with the ZBNF.

**Mixed cropping is the key to recover the cost of production:**

- The farmer’s have to *practise mixed cropping*, the cost of main crop is recovered by the *sale of cash crops* that you sow alongside.
- Also, it is about *using organic manure*.” It takes time but ultimately yields positive results.
- One should start by devoting *small portion of land to organic farming* as in the first couple of seasons the yield is low in comparison to the one sprinkled with chemical fertilisers.

**Issues that need to be addressed in ZBNF:**

- However, *not all farmers* are convinced about ZBNF.
- The important concern is “what about the *cost of labour* for collection of dung and urine, apart from the other inputs used in preparation of Jiwamrita, Neemastra or Bramhastra”?
- Keeping cows is also a cost that has to be accounted for. How many farmers can afford to keep desi cows that yield very little milk.
It is hard to explain it to fellow farmers and had to “face taunts” as there was no guidance and market for organic produce in rural areas.

It points out that if ZBNF is practiced in isolation, the crop grown would be vulnerable to attacks by insects and pests which may move there from fields where chemical pesticides are being sprayed.

It is where the government should step in and reduce dependence on middle men.

Conclusion:

More encouraging is that the programme can have a positive effect on many of the sustainable development goals through improvements in soil, biodiversity, livelihoods, water, reduction in chemicals, climate resilience, health, women’s empowerment and nutrition.

Many state governments, including Kerala, Karnataka, Andhra Pradesh, Himachal Pradesh, Chhattisgarh and Karnataka have openly supported ZBNF after studying its efficacy.

Agricultural scientists in India have to rework their entire strategy so that farming is in consonance with nature. The dominant paradigm of chemical-based agriculture has failed and regenerative agriculture is the emerging new science.

The world is at critical junctures on many planetary boundaries, and establishing a system that shows promise in improving them while supporting people sustainably is surely one worth pursuing.

10. GOING ELECTRIC: ON PLANS TO SWITCH TO ELECTRIC VEHICLES

Context:

The Union Budget has announced a bold move to make a transition to electric vehicles, and offered a tax incentive for the early adopters.

Its stated vision to leapfrog into an era of electric mobility and domestic vehicle manufacturing, led by public transport and commercial vehicles, is forward-looking.

It is also inevitable because poor air quality and noise pollution have sharply affected the quality of life, and pose a serious public health challenge.

An additional income tax deduction of ₹1.5 lakh is now offered on interest paid on loans to purchase electric vehicles, and the GST Council has been moved to cut the tax on e-vehicles to 5% from 12%. Both demands were made by the industry earlier.

NITI Aayog plans to Electric Mobility:

As the NITI Aayog has stated, the goal of shifting to electric vehicles cannot make progress without deadlines, and a market-driven approach sought by some sections of the automotive industry will leave India’s capabilities and infrastructure for e-mobility trailing others, notably China.

With 2030 as the outer limit, the imperative is to fix a realistic time-frame by which scooters, motorcycles, three-wheeler carriages and, later, all new vehicles will be battery powered.

There is a significant outlay under the second iteration of the Faster Adoption and Manufacturing (of Hybrid and) Electric Vehicles (FAME) plan of ₹10,000 crore, to give a fillip to commercial vehicles and to set up charging stations.

About FAME 2 scheme:

Recently, NITI Aayog & Rocky Mountain Institute (RMI) Release Technical Analysis of FAME II Scheme. Report looks at potential saving in areas of energy, oil and carbon emissions.

The main objective of the scheme is to encourage Faster adoption of Electric and hybrid vehicle by way of offering upfront Incentive on purchase of Electric vehicles and also by way of establishing a necessary charging infrastructure for electric vehicles.

The scheme will help in addressing the issue of environmental pollution and fuel security.

To encourage advance technologies, the benefits of incentives, will be extended to only those vehicles which are fitted with advance battery like a Lithium Ion battery and other new technology batteries.

Lithium-ion batteries can match internal combustion engine performance, being more energy-dense than lead acid batteries, but are very expensive.

Customers are likely to be frightened off by prices and hold on longer to old bikes and scooters.

Since these old bikes emit more pollutants than newly certified internal combustion engines, it will offset environmental gains from the conversion to electric.
Indian govt targeting up to 7M sales of hybrid and electric vehicles by 2020:

- The **National Electric Mobility Mission Plan, NEMMP 2020** is a national mission document providing the **vision and a roadmap** for **faster adoption of electric vehicles and their manufacturing** in the country.
- The Indian government has a target to **achieve six to seven million sales** of hybrid and electric vehicles by 2020 under the **National Electric Mobility Mission Plan (NEMMP)**, the Parliament was informed.
- The NEMMP plan has been designed to **enhance national fuel security**, to provide **affordable and environment-friendly** transportation and to enable the Indian automotive industry achieve a global manufacturing leadership.
- **NITI Aayog's goal** is to increase the **usage of clean-fuel technology** and give Indian citizens cleaner air to breathe.
- According to media reports, road transport and highways ministry will be tasked with coming up with a framework to phase out the sale of diesel and petrol vehicles by 2030 which is one of the **significant sources** of air pollution.

**Infrastructure the need of the hour:**

- There is a strong believe that **electric infrastructure** will have a massive scale going forward. But the bad part is there is **no subsidy** for those that want to set up EV infrastructure as a business.
- In fact, Ather has more than 30 charging stations in Bengaluru while the other companies in this space are yet to foray into support infrastructure.
- As of today, there are **only 250 charging stations** in the country and they mostly catering to three-wheelers. To make this transition viable, **infrastructure is a key factor**.
- **SIAM** (Society of Indian Automobile Manufacturers) the nodal body for Indian automobile industry reports that the country currently sells close to 750,000 electric vehicles a year, a majority of these are three wheelers, which sold 6,30,000 units, with 1,26,000 of these three-wheelers.
- In 2018, the entire Indian EV industry saw sales of only 56,000 units.
- A **longer-term policy** priority has to be the **setting up of lithium battery production and solar charging infrastructure** of a scale that matches the ambition. The Centre has accepted some of the demands of the auto industry to popularise EVs.
- The government should provide **incentives for CNG vehicles** and should also come out with a **scrappage plan for vehicles** to incentivise customers to buy new vehicles.

**Conclusion:**

- The budgetary measures will have an **immediate impact on the pricing** of electric vehicles and bring in more models, but it will take **a sustained effort** by the Centre, in partnership with State governments, to enable a fast rollout of charging infrastructure.
- In a bold and far-reaching move, **India’s electric vehicle goals** are set to flourish if NITI Aayog has its way.
- The government think tank moved a Cabinet note to **address e-mobility targets** for a greener India, which emphasises on the sale of only electric vehicles by the year 2030.
- This would go a long way in addressing **India’s clean fuel ideology** and reduce high pollution levels.
• The government said it is planning to set up a National Mission on Transformative Mobility and Battery Storage to bring clean and connected technologies that can usher in an era of shared and sustainable EV infrastructure in the country.

11. CRIMES THAT INDIA’S STATUTE BOOKS HAVE FAILED TO DEFINE

Introduction:

- Neither ‘crimes against humanity’ nor ‘genocide’ has been made part of India’s criminal law, a lacuna that needs to be addressed urgently.
- This was the lament of Justice S. Muralidhar of the Delhi High Court, while pronouncing the judgment in State v. Sajjan Kumar (2018).
- The case concerned the mass killing of Sikhs during the anti-Sikh riots in 1984 in Delhi and throughout the country.
- The court categorically stated that these kind of mass crimes “engineered by political actors with the assistance of the law enforcement agencies” fit into the category of crimes against humanity (CAH).
- In State v. Sajjan Kumar, the Delhi High Court also said that “a familiar pattern of mass killings” was seen “in Mumbai in 1993, in Gujarat in 2002, in Kandhamal, Odisha in 2008, and Muzaffarnagar in Uttar Pradesh in 2013”, where the criminals “have enjoyed political patronage and managed to evade prosecution”.

The Genocide Convention:

- The Convention on the Prevention and Punishment of the Crime of Genocide (Genocide Convention) is an instrument of international law that codified for the first time the crime of genocide.
- According to the Genocide Convention, genocide is a crime that can take place both in time of war as well as in time of peace.
- The Genocide Convention was the first human rights treaty adopted by the General Assembly of the United Nations on 9 December 1948 and signified the international community’s commitment to ‘never again’ after the atrocities committed during the Second World War.
- Its adoption marked a crucial step towards the development of international human rights and international criminal law as we know it today.
- The definition of the crime of genocide, as set out in the Convention, has been widely adopted at both national and international levels, including in the 1998 Rome Statute of the International Criminal Court (ICC).
- The Rome Statute established four core international crimes: genocide, crimes against humanity, war crimes, and the crime of aggression. Those crimes “shall not be subject to any statute of limitations”.
- Importantly, the Convention establishes on State Parties the obligation to take measures to prevent and to punish the crime of genocide, including by enacting relevant legislation and punishing perpetrators, “whether they are constitutionally responsible rulers, public officials or private individuals” (Article IV).

Crimes Against Humanity (CAH) mentioned in International Criminal Court (ICC):

- Internationally, CAH are dealt with under the Rome Statute of the International Criminal Court (ICC).
- They are defined as offences such as murder, extermination, enslavement, deportation, torture, imprisonment and rape committed as a part of widespread or systematic attack directed against any civilian population, with knowledge of the attack.
- India is not a party to the Rome Statute, which means that it is under no obligation at present to enact a separate legislation dealing with CAH.
- Even after ratification of the Genocide Convention (1948), India has not enacted it in domestic legislation.
Reasons for India’s reluctance to enact laws:

- The most probable reason for India’s reluctance to actively participate in the negotiation process on a separate Convention on CAH, which started in 2014, could be the adoption of the same definition of CAH as provided in the Rome Statute.
- The Indian representatives at the International Law Commission (ILC) have stated that the draft articles should not conflict with or duplicate the existing treaty regimes.

India had objected to the definition of CAH during negotiations of the Rome Statute on three grounds:

- First, India was not in favour of using ‘widespread or systematic’ as one of the conditions, preferring ‘widespread and systematic’, which would require a higher threshold of proof.
- Second, India wanted a distinction to be made between international and internal armed conflicts.
- This was probably because its internal conflicts with naxals and other non-state actors in places like Kashmir and the Northeast could fall under the scope of CAH.
- The third objection related to the inclusion of enforced disappearance of persons under CAH.
- It is pertinent here that India has signed but not yet ratified the UN International Convention for the Protection of All Persons from Enforced Disappearances as it would put the country under an obligation to criminalise it through domestic legislation.

Conclusion:

- India’s missing voice at the ILC does not go well with its claim of respect for an international rules-based order.
- Turning a blind eye to the mass crimes taking place in its territory and shielding the perpetrators reflect poorly on India’s status as a democracy.
- It would be advisable for India to show political will and constructively engage with the International Law Commission (ILC), which would also, in the process, address the shortcomings in the domestic criminal justice system.

12. THE MALAISE OF MALNUTRITION

Context:

- According to UNICEF, 38% of children younger than five years of age in India are stunted, a manifestation of chronic undernutrition.
- Stunting and other forms of under-nutrition are thought to be responsible for nearly half of all child deaths globally.
- Malnutrition in India also persists because of the age-old patterns of social and economic exclusion.
- Over 40% of children from Scheduled Tribes and Scheduled Castes are stunted. Close to 40% of children from the Other Backward Classes are stunted.
- The cascading tendency of a transmission of poverty from mother to children continues, which is proof enough that the government’s efforts have had only peripheral impact.

Food and Nutrition Security Analysis, India, 2019:

- According to the report, malnutrition amongst children in India is projected to remain high, despite all the progress made in food security.
- It raises moral and ethical questions about the nature of a state and society that, after 70 years of independence, still condemns hundreds of millions of its poorest and vulnerable citizens to lives of hunger and desperation.
- Some progress has been made in reducing the extent of malnutrition:
  - Chronic malnutrition decreased from 48% percent in 2005-06 to 38.4% in 2015-16.
  - The percentage of underweight children decreased from 42.5% to 35.7% over the same period.
  - Anaemia in young children decreased from 69.5% to 58.5% during this period.
• However, many studies over the last five years have exposed the failure of the Indian state to ensure that its most vulnerable citizens are provided adequate nutrition in their early years.

**The problem is access to food:**

- As Amartya Sen noted, famines are caused not by shortages of food, but by inadequate access to food.
- And for the poor and marginalised, access to food is impeded by social, administrative and economic barriers.
- In the case of children and their mothers, this could be anything from non-functioning governments at the State, district and local levels to entrenched social attitudes that see the poor and marginalised as less than equal citizens who are meant to be an underclass and are undeserving of government efforts to provide them food and lift them out of poverty.
- A lot of attention has focussed on the government’s aim of turning India into a $5 trillion economy in the next five years.
- But these declarations only serve to obscure a larger reality. There is a large section of society, the poorest two-fifths of the country’s population, that is still largely untouched by the modern economy which the rest of the country inhabits.
- As one part of the country lives in a 21st century economy, ordering exotic cuisines over apps, another part struggles with the most ancient of realities: finding enough to eat to tide them over till the next day.

**Recommendations to solve mal-nutrition by Food and Nutrition Security Analysis, India, 2019:**

- Recommendations are grouped by the three pillars of food security: availability, access and utilisation.

  **(i) Availability:**
  - Farmers should be encouraged and incentivised for agricultural diversification.
  - Innovative and low-cost farming technologies, increase in the irrigation coverage and enhancing knowledge of farmers in areas such as appropriate use of land and water should be encouraged to improve the sustainability of food productivity.
  - The government should improve policy support for improving agricultural produce of traditional crops in the country.

  **(ii) Accessibility:**
  - The targeting efficiency of all food safety nets should be improved, especially that of the Targeted Public Distribution System (TPDS), to ensure that the poorest are included.
• In addition, **fortification** of government-approved commodities within the social safety net programmes can **improve nutritional outcomes**.
• Child feeding practices should be improved in the country, especially at the critical ages when solid foods are introduced to the diet.
• **Fortification, diversification and supplementation** may be used as simultaneous strategies to address micro and macronutrient deficiencies.

(iii) Utilisation:
• **Storage capacity** should be improved to prevent post-harvest losses.
• There is a need for **more robust measures** that can take cognizance of **all aspects of SDG 2**.
• All the major welfare programmes **need to be gender sensitive**.
• The **inherited dehumanising poverty** explains the persistence of malnutrition on a large scale.
• Children born in **impeccunious circumstances** suffer the most from malnutrition. It is all the more reason for governments to intervene to provide adequate nutrition to all.
• **Funds for food to all** yield great returns and help in unlocking the full potential of citizens besides strengthening the workforce.

Conclusion:
• Malnutrition is a **complex and multi-dimensional issue**.
• It is primarily **caused by several factors**, including poverty, inadequate food consumption, inequitable food distribution, improper maternal, infant and child feeding, and care practices, inequity and gender imbalances, poor sanitary and environmental conditions, and restricted access to quality health, education and social care services.
• It once again forces us to ask why despite rapid economic growth, declining levels of poverty, enough food to export, and a multiplicity of government programmes, **malnutrition amongst the poorest remains high**.
• **Governance** can be termed ‘good’ only when it **banishes hunger and starvation**. The **poor must also be valued** like the rest of the population since attaching less value to their lives is one unstated reason why their nutritional needs are not taken care of as they should be.

### 13. TREAD WITH CAUTION: ON LABOUR LAWS

**Context:**
• As a part of its **ease of doing business initiative**, the government will be subsuming a **total of 44 labour laws into four codes** — on wages, social security, industrial safety and welfare and industrial relations.
• The Four codes of Labour laws are:
  1. Code on **Wages Bill**
  3. Code on **Industrial Relations**
  4. Code on **Social Security**
• As part of its commitment to **simplify and consolidate labour rules and laws** under **four codes**, the Union Cabinet has cleared the Occupational, Safety, Health and Working Conditions Code, earlier it approved the Code on Wages Bill.

**Labour reforms: No one knows the size of India’s informal workforce:**
• The Economic Survey of 2018-19, says “**almost 93%**” of the total workforce is ‘**informal**’. But the NITI Aayog’s Strategy for New India at 75, said: “by some estimates, India’s informal sector employs approximately 85% of all workers”.

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**The Code on Wages Bill:**
• **The Code on Wages Bill** seeks to include more workers under the purview of minimum wages and proposes a **statutory national minimum wage** for **different geographic regions**, to ensure that States will not fix minimum wages below those set by the Centre.

**The Code of Occupational, Safety, Health and Working Conditions Bill, 2019:**
• The Code on labour safety and working conditions include **regular and mandatory medical examinations** for workers, **issuing of appointment letters**, and framing of rules on women working night shifts.
• Other codes that await Cabinet approval include the Code on Industrial Relations and the Code on Social Security.
There is yet another government report, ‘Report of the Committee on Unorganised Sector Statistics’ of the National Statistical Commission (NSC), 2012, which says the share of the informal workforce is “more than 90%” of the total.

So is the case with its contribution to the economy. The government does recognise that the informal sector and workers contribute significantly. The NSC’s 2012 report pegs it at “about 50% of the national product” without revealing how it arrived at such a conclusion.

Stressing the importance of labour law reforms, it said that according to the latest comparable figures available with the International Labour Organisation, the man-days lost in India were a staggering 23.34 lakh as compared with 1.7 lakh in the UK and 7.4 lakh in the US, with Russia at a low of only 10,000.

In Past: China’s labour laws v/s India’s Labour laws

China’s flexible and business friendly labour laws have ensured continued investment in Chinese manufacturing, whereas plethora of restrictive labour laws in India, around 245 in total, make it difficult for employers to downsize during business downturn and introduce a new technology.

As a result, FDI inflows in India is insignificant in capital-intensive industries unlike in case of China during the first couple of decades of reforms.

The existing laws protect only 10% of the total labour force and come in the way of creating opportunities for the rest.

Consensus from Labour Unions is also must be considered:

Unlike these pending bills, especially the one related to industrial relations that will be scrutinised by labour unions for any changes to worker rights and rules on hiring and dismissal and contract jobs, the two that have been passed should be easier to build a consensus on, in Parliament and in the public sphere.

Organised unions have vociferously opposed changes proposed in the Industrial Relations code, especially the proviso to increase the limit for prior government permission for lay-off, retrenchment and closure from 100 workers as it is currently, to 300.

Friendly Labour Laws will spur the Growth rate: Economic Survey 2018-19:

The Economic Survey highlighted the effect of labour reforms in Rajasthan, suggesting that the growth rates of firms employing more than 100 workers increased at a higher rate than the rest of the country after labour reforms.

But worker organisations claim that the implementation of such stringent labour laws in most States is generally lax.

Clearly, a cross-State analysis of labour movement and increase in employment should give a better picture of the impact of these rules.

The Centre and state governments need to pursue labour law reforms as these are necessary for improving investment and generating employment, SBI said in its research report ‘Ecowrap’.
Conclusion:

- **Simplification and consolidation** of labour laws apart, the government must focus on the **key issue of job creation**.
- **The Periodic Labour Force Survey** that was finally made public clearly pointed to the dire situation in job creation in recent years.
- While the proportion of workers in regular employment has increased, unemployment has reached a 45-year high.
- In such a situation, the government should be **better off building a broader consensus** on any major rule changes to existing worker rights rather than rushing through them for the sake of simplification.
- The consolidated code bills should be **thoroughly discussed in Parliament** and also **with labour unions** before being enacted.
14. INDIA’S FOREIGN POLICY NEEDS REWORK IN THE NEXT FIVE YEARS

Introduction: Need for a Foreign Policy:

- Foreign policy is not a fixed concept as it keeps on changing according to changing domestic and international conditions.
- National interest is the core objective of foreign policy of a nation. The secondary national interest may change with time but the primary national interest endures.
- In international community every country has to interact with other countries. This interaction is not haphazard but takes place with definite orientations and objectives. These orientations and objectives form the core of foreign policy.
- National security is an example of primary interest. No country can compromise with her national security for the sake of most beloved principles of foreign policy.
- Thus, the foreign policy is the instrument to realize the national interest of a country. A foreign policy bereft of national interest is a purposeless exercise.

PM Modi’s pace with round of issues with world leaders:

- Prime Minister Narendra Modi has maintained a frenetic pace, renewing contacts with world leaders ever since the results of general election 2019. He was the cynosure of all eyes at the G-20 meeting in June, in Osaka.
- At the BRICS informal meeting, also in Osaka, he called for the strengthening of the World Trade Organisation and for a global conference on terrorism.
- PM discussed counter-terrorism and climate change issues at separate meetings with China’s President Xi Jinping and Russia’s President Vladimir Putin.
- He participated in the Japan-India-U.S. trilateral grouping, arguing for a “rules based order” in the Indo-Pacific region. He met with U.S. President Donald Trump, to discuss the future of India-U.S. relations.

South Asian concerns and realities to India:

- In this backdrop, India needs to rework many of its policies in the coming five years.
- South Asia, in particular, and the region of our highest priority, needs close attention.
- The region is one of the most disturbed in the world and India has little or no say in any of the outcomes taking place.
India-Pakistan relations are perhaps at their lowest point. Tarring Pakistan with the terror brush is hardly policy, and stable relations continue to be elusive.

India has no role in Afghan affairs and is also excluded from current talks involving the Taliban, the Afghan government, Pakistan, the U.S. and even Russia and China.

India might have recouped its position more recently in the Maldives, but its position in Nepal and Sri Lanka remains tenuous. In West Asia again, India is no longer a player to reckon with.

China, US, Eurasia Challenges:

- China is the major challenge that India has to contend with. Smaller countries in the region are being inveigled to participate in China’s programmes such as the Belt and Road Initiative (BRI).
- India and Bhutan are the only two countries in this region that have opted out of the BRI, and they seem like the odd men out.
- Deeepening India-U.S. relations today again carry the danger of India becoming involved in a new kind of Cold War.
- India must ensure that it does not become a party to the conflicts and rivalries between the U.S. and a rising China, the heightened tensions between the U.S. and Russia, and also avoid becoming a pawn in the U.S.-Iran conflict.
- Closer relations with the U.S. also carries the risk of aggravating tensions between India and China, even as China and the U.S.
- The U.S.-China-Russia conflict has another dimension which could affect India
- The strategic axis forged between the Mr. Putin’s Russia and Mr. Xi’s China will impact not only the U.S. but also India’s position in both Asia and Eurasia, with India being seen as increasingly aligned to the U.S.
- Hence, India needs to devise a policy that does not leave it isolated in the region.
- The challenge in the coming years for India is to check the slide, especially in Asia, and try and restore India to the position it held previously. India cannot afford to wait too long to rectify the situation.

Now Changing geopolitics requires an altered foreign policy:

- The geopolitical scenario of the world is changing, and this has brought up new global issues for India deal with.
- Therefore, various aspects of India’s foreign policy also is required to be changed to fit the changing geopolitics of the world.

Need to focus on newer threats as well:

- As India intensifies its search for state-of-the-art military equipment from different sources, it may be worthwhile for India to step back and reconsider some of its options.
- Military power is but one aspect of the conflicts that rage today. Experts point out that outright war, insurgencies and terror attacks are fast becoming passé.
- Nations confront many other and newer threats at present. Today, disruptive technologies have tremendous danger potential and nations that possess these technologies have the ability to become the dominant powers in the 21st and 22nd Centuries.
- A major challenge for India will hence be how to overcome our current inadequacies in the realm of disruptive technologies rather than remaining confined to the purely military domain.
- The U.S., China, Russia, Israel and few other countries dominate these spheres as also cyberspace and cyber methodologies.

Conclusion:

- Despite a plethora of official statements, the state of the economy remains a matter of increasing concern. India needs to pays greater heed to its economy.
- Notwithstanding India’s ambition to become a $5-trillion economy by 2024-25, the reality today is that the economy appears to be in a state of decline.
- New policy parameters will need to be drawn up by India, and our capabilities enhanced in areas such as artificial intelligence, biotechnology and cyber methodology, all of which constitute critical elements of the disruptive technology matrix.

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• Neither the Economic Survey nor the Budget contain useful pointers to a more robust economy, one that is capable of providing a higher rate of growth, more opportunities for skilled labour, and greater potential for investments.
• The looming challenge for India in the coming five years, therefore, would be how to build a strong economic foundation, one that is capable of providing the kind of power structure needed for an emerging power, and also one possessing the best liberal credentials.

15. ECOLOGICAL PERILS OF DISCOUNTING THE FUTURE

Introduction:
• Once the wettest place on Earth, Cherrapunji, a town in northeastern India, has faced a drought each winter for the past few years.
• Kerala, a state in the southwest, flooded devastatingly in 2018, but saw its wells run dry soon after.
• Chennai, a growing south-Indian metropolis, was inundated by rains in 2015—but this summer, waiting for the monsoon, its 11 million residents have watched three of its four reservoirs run dry.
• Meanwhile, across India, the groundwater that provides an invaluable buffer between monsoons is severely depleted and in danger of being irreversibly lost.

Floods and Droughts are man-made Disaster:
• In a report last year, the Comptroller and Auditor General of India (CAG) called the Chennai floods of 2015 a “man made disaster”, a pointer to how the encroachment of lakes and river floodplains has driven India’s sixth largest city to this ineluctable situation.
• The Chennai floods are a symbol of consistent human failings and poor urban design which are common to most urban centres in India if not urban centres across the world. Now, Chennai is in the midst of another crisis, one of water scarcity.
• Presently, the flood situation in Bihar continued to remain grim with over 2.5 million people affected by it across the 12 districts of the state.
• when the consequences of Environmental degradation begin to wreak havoc, it becomes difficult to draw the correlation between nature’s vengeance with human failings.
• In Chennai, more than 30 waterbodies of significance have disappeared in the past century.

Urbanisation without vision:
• Urbanisation at the cost of reclaiming water bodies is a pan-India if not worldwide phenomenon.
• Chennai, however, is not alone in terms of suffering from the consequences of human folly.
• There are examples in cities such as Bengaluru, Hyderabad and even Mexico City.
• In Bengaluru, 15 lakes have lost their ecological character in less than five years according to a High Court notice to the city’s administrative body responsible for civic amenities and some infrastructural assets.
• The lakes, which are now encroached areas, find use as a bus stand, a stadium and, quite ironically, as an office of the Pollution Control Board.
• In Mexico city, what was once a network of lakes built by the Aztecs in the 11th and 12th centuries, has given way to a downtown city centre. Parts of the city, sink a few metres every year causing immense damage to buildings.

The Telangana example:
• The government of Telangana launched a massive rejuvenation movement in form of “Mission Kakatiya” which involves the restoration of irrigation tanks and lakes/minor irrigation sources built by the Kakatiya dynasty.
• From the perspective of inter-generational justice, this is a move towards giving future generations in the State their rightful share of water and, therefore, a life of dignity.
• The city of Hyderabad is now moving towards a sustainable hydraulic model with some of the best minds in the country working on it.
• This model integrates six sources of water in a way that even the most underdeveloped areas of the city can have equitable access to water resources and the groundwater levels restored in order to avoid a calamity of the kind that has gripped Chennai now.

Learning the Success models to protect our Ecology:

• Why should other urban centres shy away from adopting, remodelling and implementing some of the best water management practices to avoid disaster?
• The answer perhaps lies in the tendency of policymakers to discount the future and of their obsession of focussing on the here and now.
• Mexico City created a new executive position of a “resilience officer” to save its sinking urban sprawls.
• Bengaluru can reclaim Kundalahalli lake (once a landfill) through corporate social responsibility funds in a Public Private Partnership model.
Hyderabad and the larger state of Telangana **rebuild its resilience** through a combination of political will and well-designed policies such as the Kaleshwaram Lift Irrigation Scheme and Mission.

**Conclusion:**

- Unlike issues such as traffic congestion or crime which are visible, **environmental degradation** is not what most people can easily see or feel in their everyday lives.
- If we do not wake up now, we have to be prepared to **face the consequences of nature** wreaking **great havoc on humanity**. We would not need nuclear bombs for our obliteration.
- If we truly **envision a great future** for this country, how can we possibly **risk the lives** of half of our people and the next generations who could be facing a life in cities parched by drought, stranded by floods, mortified by earthquakes or torn by wars over fresh water?
- It is estimated that in just 30 years from now, **by 2050, half of India will be living in cities**.
- What has happened in Chennai now or what happened in Kerala last year in the form of floods are not a case of setting alarm bells ringing, but one of explosions.

## 16. A WASH FOR HEALTHCARE

**Introduction:**

- **Healthcare facilities** are many and varied. Some are primary, others are tertiary.
- Many are public, some are private. Some meet specific needs, and some are temporary, providing acute care when disaster strikes.
- In 2015, for the first time, **WHO and UNICEF** assessed the **status of WASH** in health care facilities in low- and middle-income countries.
- With a significant proportion of facilities without any services at all, WHO, UNICEF and partners committed at a global meeting to address the situation, with the **aim of achieving universal access in all facilities**, in all settings, by 2030.
- A **global action plan** with five change objectives was developed in March 2015. In the first phase of this work, four task teams (comprised of health and WASH specialists) are working to address five change objectives and produce tangible deliverables.

**WASH amenities should be strictly made available:**

- Whatever their differences, and wherever they’re located, **adequate water, sanitation and hygiene (WASH) amenities**, including **waste management** and **environmental cleaning services**, are critical to their safe functioning.
- When a healthcare facility **lacks adequate WASH services**, infection prevention and control are severely compromised. This has the potential to make patients and health workers sick from avoidable infections.
- As a result (and in addition), efforts to improve maternal, neonatal and child health are undermined.
- **Lack of WASH facilities** also results in unnecessary use of antibiotics, thereby spreading antimicrobial resistance.
- In 2018, the United Nations (UN) issued a **Global Call to Action** to elevate the importance of and prioritize action on **WASH in all health care facilities**, including primary, secondary and tertiary facilities in both the public and private sectors.
- The call recognises the important role WASH plays in preventing infections, saving lives, and improving quality of care.

**Recent report on WASH Services:**

- The WHO/UNICEF JMP report, **WASH in Health Care Facilities**, is the first comprehensive global assessment of water, sanitation and hygiene (WASH) in health care facilities.
- It outlines that, WASH services in many facilities across the world are **missing or substandard**.
- It finds that **1 in 8 health care facilities has no water service** and **1 in 5 has no sanitation service** – impacting close to 900 million and more than 1.5 billion people, respectively.
- **One in every six healthcare facilities** was estimated to have **no hygiene service** (meaning it lacked hand hygiene facilities at points of care, as well as soap and water at toilets), while data on waste management and environmental cleaning was inadequate across the board.
Enhancing primary healthcare will improve WASH services:

- In WHO’s South-East Asia region, efforts to tackle the problem and achieve related Sustainable Development Goal (SDG) targets are being vigorously pursued.
- As outlined at a WHO-supported meeting in New Delhi in March, improving WASH services in healthcare facilities is crucial to accelerating progress towards each of the region’s ‘flagship priorities’, especially the achievement of universal health coverage.
- Notably, improving WASH services was deemed essential to enhancing the quality of primary healthcare services, increasing equity and bridging the rural-urban divide.
- A World Health Assembly Resolution passed is hoping to catalyse domestic and external investments to help reach the global targets.
- These include:
  - Ensuring at least 60% of all healthcare facilities have basic WASH services by 2022;
  - At least 80% have the same by 2025; and
  - 100% of all facilities provide basic WASH services by 2030.

WHO- and UNICEF-recommended practical steps to be implement:

- Across the region, and the world, a lack of quality baseline data limits authorities’ understanding of the problem.
- First, health authorities should conduct in-depth assessments and establish national standards and accountability mechanisms.
- There is need of national road-maps to improve WASH services are developed, health authorities should create clear and measurable benchmarks that can be used to improve and maintain infrastructure and ensure that facilities are ‘fit to serve’.
- All UN agencies, Member States, and partners are now being asked to invest more in this critical component for health and wellbeing.

Educating the health workers:

- Second, health authorities should increase engagement and work to instil a culture of cleanliness and safety in all healthcare facilities. There should be a lot of information campaigns to all the working staff.
- All workers in the health system from doctors and nurses to midwives and cleaners should be made aware of, and made to practise, current WASH and infection prevention and control procedures (IPC).
- Third, authorities should ensure that collection of data on key WASH indicators becomes routine.
- It will help accelerate progress by promoting continued action and accountability. It will also help spur innovation by documenting the links between policies and outcomes.
Way Forward:

- To help do this, modules on WASH services and IPC should be included in pre-service training and as part of ongoing professional development.
- In addition, authorities should work more closely with communities, especially in rural areas, to promote demand for WASH services.
- WHO is working with member states as well as key partners to develop a data dashboard that brings together and tracks indicators on health facilities, including WASH services, with a focus on the primary care level.
- As member states strive to achieve the ‘flagship priorities’ and work towards the SDG targets, that outcome is crucial.
- Indeed, whatever the healthcare facility, whoever the provider, and wherever it is located, securing safe health services is an objective member states must boldly pursue.

17. RETHINKING KUSUM

Introduction:

- Agrarian distress is real and persisting, water is growing into an ever bigger human crisis, state power sector has once again managed to bring itself on the edge of the precipice.
- The human and fiscal cost of the downward-spiralling nexus between energy, water, and agriculture is staggering.
- India cannot address its water and energy economy without addressing agrarian distress and finding non-agriculture income options.
- Connecting the solar irrigation pumps to the grid to sell surplus electricity provides an additional source of income for the farmer.
- It has been amply demonstrated by International Water Management Institute (IWMI) through a pilot project in Dhundi (Solar Power as a Remunerative Crop- SPaRC) and NDDB’s solar cooperative in Majkuva (Gujarat).

Equity by design will address inequality between the states:

First, KUSUM should aim to reduce the existing disparity among States with regard to solar pumps deployment and irrigation access:

- Chhattisgarh and Rajasthan together account for about half of the two lakh solar pumps currently deployed in the country.
- This is surprising given the low irrigation demand in the former and poor groundwater situation in the latter.
- On the other hand, States such as Bihar, Uttar Pradesh and West Bengal, where penetration of diesel pumps is among the highest, have not managed to deploy any significant number of solar pumps.
- This disparity highlights poor State budget allocation towards solar pumps and the lack of initiative by State nodal agencies.
- To encourage more equitable deployment of 5 lakh offgrid pumps by 2022, the Centre should incentivise States through target linked financial assistance, and create avenues for peer learning.

Second, KUSUM must also address inequity within a State:

- For instance, 90% of Bihar’s farmers are small and marginal. Yet, they have received only 50% of government subsidies on solar pumps.
- On the other hand, in Chhattisgarh, about 95% of beneficiaries are from socially disadvantaged groups due to the mandate of the State.
Learning from these contrasting examples, a share of central financial assistance under KUSUM should be appropriated for farmers with small landholdings and belonging to socially disadvantaged groups.

Third, instead of a onefitsall approach, KUSUM should provide greater financial assistance to smaller farmers:

- KUSUM proposes a 60% subsidy for the pumps, borne equally by the Centre and the States, and the remaining 40% will be the farmer’s contribution, 10% as down payment and 30% through loans.
- This unilateral financing approach will exacerbate the interfarmer disparity given the inequity in access to credit and repayment capacity between small and large farmers.
- A higher capital subsidy support to small and marginal farmers and longterm loans with interest subsidies for large and medium farmers would be a more economical and equitable alternative.

Approaching Prudence over populism:

- Solarising existing gridconnected pumps, as proposed under the scheme, needs a complete rethink:
- Existing gridconnected farmers, who have enjoyed power subsidies for decades, would receive the same financial support as that received by an offgrid farmer.
- In addition, they would earn regular income from the DISCOM on feeding surplus electricity, furthering the inequitable distribution of taxpayers’ resources.
- Instead, the scheme should only provide Central government subsidy of up to 30% for solarisation, and use the proposed State support to incentivise DISCOMs to procure energy from the farmers.
- Also, solarising grid connected pumps must include replacement of the pump.

Surplus Solar Energy can be used to power post-harvest processes:

- Poor efficiency levels of the existing pumps would mean unnecessary oversizing of the solar panels and lesser available energy to feed into the grid.
- Moreover, instead of feeding surplus energy to the grid, solar pump capacity could be used to power post-harvesting processes, which complement the seasonal irrigation load and can enhance farm incomes through local value addition.
• Further, the injection of solar power by farmers would require the entire agriculture electricity line (feeder) to be energised throughout the daytime, including for those not having solarised pumps.
• This would aggravate DISCOMs’ losses on such feeders. Instead, an effective alternative is to **solarise the entire feeder** through a reverse bidding approach, and provide **water conservation-linked incentives** to farmers as direct benefit transfer.

**Conclusion:**
• Expected positive outcomes of the scheme include promotion of **decentralised solar power production**, reduction of transmission losses as well as providing support to the financial health of DISCOMs by **reducing the subsidy burden** to the agriculture sector.
• The scheme would also **promote energy efficiency and water conservation** and provide water security to farmers.
• KUSUM could **radically transform the irrigation economy** if the government chooses an approach of equity by design and prudence over populism.
• KUSUM should not woo a certain section of farmers with shortsighted objectives. If designed better and implemented effectively, it holds the potential to **catapult the Indian irrigation economy** from an era mired in perpetual subsidy, unreliable supply, and inequitable distribution of resources to a regime of **affordable, reliable, and equitable access to energy and water**.

**18. THE TREMOR OF UNWELCOME AMENDMENTS TO THE RTI ACT**

**Context:**
• The government introduced in Lok Sabha the **Right to Information (Amendment) Bill, 2019**, which proposes to give the Centre the powers to set the salaries and service conditions of Information Commissioners at central as well as state levels.
• "Amendments" have haunted the Right to Information (RTI) community ever since the RTI Act came into effect almost 14 years ago.
• However, Lok Sabha passed the bill amending the Right To Information Act, amid objections by the Opposition which alleged that it was an attempt to undermine the law and make the transparency panel into a “toothless tiger”.

**RTI Breakthrough in recent Past:**
• The RTI has been used brilliantly and persistently to ask a million questions across the spectrum — from the village ration shop, the Reserve Bank of India, the Finance Ministry, on demonetisation, non-performing assets, the Rafale fighter aircraft deal, electoral bonds, unemployment figures, the appointment of the Central Vigilance Commissioner (CVC), Election Commissioners, and the (non)-appointment of the Information Commissioners themselves.
• The information related to decision-making at the highest level has in most cases eventually been accessed because of the independence and high status of the Information Commission. That is what the government is trying to amend.
• The RTI movement has struggled to access information and through it, a share of governance and democratic power.
• The Indian RTI law has been a breakthrough in creating mechanisms and platforms for the practice of continual public vigilance that are fundamental to democratic citizenship.
• The mostly unequal struggle to extract information from vested interests in government needed an institutional and legal mechanism which would not only be independent but also function with a

**About Right to Information Act:**
• The RTI Act is regarded as one of the most successful laws of independent India.
• It has given ordinary citizens the confidence and the right to ask questions of government authorities.
• The RTI Act was introduced with the sole objective of empowering people, containing corruption, and bringing transparency and accountability in the working of the Government.
• The Right To Information Act mandates that timely response be given to any citizen who asks for it.
• This was an initiative taken by the Ministry of Personnel, Public Grievances and Pensions to ensure a portal for citizens who searched and needed quick information.
• According to estimates, nearly 60 lakh applications are being filed every year. It is used by citizens as well as the media.
transparency mandate and be empowered to over-ride the traditional structures of secrecy and exclusive control.

- An independent Information Commission which is the highest authority on information along with the powers to penalise errant officials has been a cornerstone of India’s celebrated RTI legislation.

**Arguments from the Government for Amendment:**

- Introducing the Bill in the Lok Sabha, the Minister of State for Personnel, Public Grievances and Pensions, asserted that this was a benevolent and minor mechanism of rule-making rather than a basic amendment to the RTI law.
- The Bill changes the terms and conditions of service of the CIC and Information Commissioners at the centre and in states.
- Chief Election Commissioner and Election Commissioners have salaries of a Supreme Court Judge. These bring CIC and ICs on par with apex court judges.
- But the functions carried out by the Election Commission of India and the Central and State Information Commissions are totally different.
- Election Commission of India is a Constitutional body, Central Information Commission and State Information Commissions are statutory bodies established under the Right to Information Act, 2005.
- CIC has been given the status of a Supreme Court Judge, but his judgments can be challenged in the High Courts.
- It is to correct certain anomalies in the RTI Act, it does not dilute the Act in anyway and it was passed in a hurry in 2005. RTI Amendments would strengthen the overall RTI structure.

**Criticism to the proposed changes:**

- The proposed amendments tabled in Parliament have been in the offing for some time now. In the form of the Right to Information (Amendment) Bill, 2019, they seek to amend Sections 13, 16, and 27 of the RTI Act.
- The deliberate dismantling of this architecture empowers the Central government to unilaterally decide the tenure, salary, allowances and other terms of service of Information Commissioners, both at the Centre and the States.

**Assault on the idea of federalism:**

- By diminishing the status of the CIC, IC and State CIC from that of a Supreme Court judge would reduce their ability to issue directives to senior government functionaries.
- The change would “kill the RTI Act” and is an “affront to federalism, good governance and ultimately, democracy”. It would also render freedom of speech meaningless.

**Independence of RTI Act:**

- The separation of powers is a concept, which underscores independence and is vital to democratic checks and balances. When power is centralised and the freedom of expression is threatened, democracy will be affected.
- The Commission will lose its independence and will function like a Department of the Central Government.
• The amendments would empower the Centre to make rules to decide the tenure, salary, allowances and other terms of service of information commissioners of the Central and also State Information Commissions.
• This will fundamentally weaken the institution of the information commissions as it will adversely impact the ability of commissioners to function in an independent manner.

Secrecy Concern: Circulating the Bill without any public consultation:
• National Campaign for People’s Right to Information (NCPRI) said the move creates grave concerns about secrecy.
• The government has brought about the Bill in complete secrecy and there have been no public consultations on the Bill, which will impact the fundamental right to information of the citizens of the country.

Conclusion:
• The RTI has unshackled millions of users who will continue to use this democratic right creatively and to dismantle exclusive power.
• The law is seen as having acted as a deterrent for government servants against taking arbitrary decisions.
• The need of the hour is the Government should take into account the concerns of the experts and should arrive at an amicable solution, which ensures sufficient independence to the Commission.
• Government should bring the amendment after proper consultation with civil society and other stakeholders. It should towards strengthening RTI rather than weaken it from within for a sustainable and growing democracy.
• The RTI has been and will be used to withstand attacks on itself and strengthen the movement for transparency and accountability in India.

19. INAPPROPRIATE TEMPLATE FOR A LEGITIMATE TARGET

Introduction:
• The recently-released Economic Survey 2018-19 either glosses over or ignores many acute challenges faced by the Indian economy like:
  ➢ The severe agrarian crisis;
  ➢ The troubles of loss-making and debt-ridden public sector units; and
  ➢ The issues plaguing public sector banks.
According to author, Odd points highlighted now in Survey have been discussing since decade:

- The Economic Survey is not incorrect in highlighting the importance of incorporating insights from psychology into economics, it is odd that this has been done so late in the day.
- Many other countries like the U.K., Australia and Singapore have for long been applying such points to policy design and implementation areas and the issue has been discussed in India over the last few years as well.
- One issue that the Survey rightly underlines is the need for India to revive private investment if it is to achieve the magical $5-trillion economy status by 2024-25.
- However, what is odd here is that to stress this, the document invokes the age-old comparison between India and East Asian countries.
- It is rather strange that the Survey brings up something that has been taught in economic development classes over the last two decades.

Newly Industrialised Economies (NIEs): The East Asian Economies Success model:

- In the 1970s and 1980s, examples of newly industrialized countries included Hong Kong, South Korea, Singapore and Taiwan.
- A newly industrialized country is one whose economic development is between developing and highly developed classifications.
- The primary sign of a country’s transition is substantial growth in gross domestic product.
- Highly developed countries may see substantial opportunities in newly industrialized countries.

How Financial Inclusion happened in the East Asian Economies:

- While these East Asian economies were generally successful in encouraging savings, the cost of capital was rather high, not unlike the problem in India today.
- To tackle this, the East Asian economies undertook financial repression conventionally understood as a ceiling price keeping lending rates lower than market equilibrium.
- The central banks of these economies maintained tight oversight, and selective capital controls ensured that the low-yielding savings did not leave their countries of origin, while limited financial development forestalled the possibility of people looking for savings alternatives.
- The governments undertook sophisticated industrial policies to promote domestic investment, much of which was export-led (though not necessarily free-market based).
- The governments understood that a vertical industrial policy (of ‘picking winners’) would not work without a sound horizontal industrial policy (dealing with labour and land reforms, bringing about basic literacy and raising women’s participation in the labour force).
- Besides, incentives also had clear guidelines and sunset clauses and mechanisms were in place to phase out support. Thus, winners prospered while losers were allowed to fail.

India must spend $200 billion on infra annually; harnessing pvt. investment a challenge: Economic Survey

- India needs to almost double its annual spending on infrastructure at $200 billion and the real challenge lies in harnessing private investment.
- Private sector investment has been tardy as private investors are interested in short term investments.
- But while NHAI and NHIDCL were looking for long-term borrowing arrangements keeping in view long gestation period of road projects.
- Indian railways, has initiated a major electrification programme for electrifying 100% of its broad gauge network which will reduce the nation’s dependence on imported diesel oil.
- About the civil aviation sector, in 2018-19, a total of 107 airports provided scheduled airline operations and based on the performance of joint ventures in the airport sector.
- The government has decided to lease out six brown-field airports of the Airports Authority of India (AAI) at Guwahati, Lucknow, Jaipur, Ahmedabad, Mangalore and Thiruvananthapuram via public private partnership (PPP) mode for enhanced revenue.
- The Economic Survey mentioned that the demand and supply trends in civil aviation shows that passenger demand is higher than seat supply.
• Stating that shipping and ports sectors play a pivotal role in trade dynamics, the survey said to meet the ever-increasing trade requirements, expansion of port capacity has been accorded the highest priority with implementation of well-conceived infrastructure development projects like Sagarmala and Unnati.

Way Forward for present Indian Context:

• Financial inclusion should be encouraged, though the focus was on actual use of the deposit accounts rather than just their opening.
• While the manufacturing sector was viewed as a growth engine and open to export competition, the banking sector, in all economies, remained tightly regulated and closed to foreign banks.
• To ensure that the private savings were actually intermediated into the formal financial system, failing which the cost of capital would remain high and the availability of capital for investment would be low.
• To achieve this, importance was given to the establishment of a safe and secure public sector banking system (usually in the form of postal savings networks) where deposits were guaranteed by the central bank and interest incomes was taxed lightly, if at all.
• The state-owned banks were tightly regulated as financial stability was the cornerstone of overall macroeconomic stability.

Conclusion:

• To achieve the target of $10 trillion economy size by 2032, a robust and resilient infrastructure system is required, supported by adequate private investments.
• As the country has only been able to put $100 to 110 billion annually into infrastructure development, this huge investment gaps of about $90 billion in the space needs funding through “innovative approaches”.
• The key document said, underlining the strong relations between the economy and infrastructure as “the correlation of investments in inland, road, rail and airport infrastructure to GDP are higher than 0.90.”

20. SUCKING UP SURPLUS: SEBI NEEDS FINANCIAL AUTONOMY TO REMAIN EFFECTIVE

Context:

• The government’s proposal to transfer surplus money with the Securities and Exchange Board of India (SEBI) to the Consolidated Fund of India (CFI) has met with a strong opposition from the regulatory body.
• The capital markets regulator SEBI feels that the proposal would result in compromising its “autonomy and its ability to function effectively” towards the progress and development of the Indian securities market.

Recent Government Proposal:

• The government has proposed an amendment to the SEBI Act, which states that the SEBI would constitute a reserve fund and 25% of the annual surplus of the general fund would be put in the reserve fund.
• Further, the size of such reserve fund cannot exceed the total of annual expenditure of the preceding two financial years.
• More importantly, the surplus of the general fund, after factoring in all the SEBI expenses and the transfer to the reserve fund, needs to be transferred to the CFI as per amendments proposed in the Finance Bill, 2019.
• The proposed amendment (is being made) through a money bill as against the current provisions in the SEBI Act, which were well debated in Parliament and enacted thereafter.

Government’s argument for proposal:

• Centre thinks that it can do a better job of regulating the economy by consolidating all existing power under the Finance Ministry. But, such centralisation of powers will be risky.

About Securities and Exchange Board of India (SEBI):

• The Securities and Exchange Board of India was established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
• Since inception, SEBI is subjected to CAG audit, not a single instance of financial imprudence is observed.
• The surplus of the SEBI money normally goes to General Fund of SEBI which is over of Rs.3,000 Cr. It is used to meet the expenses of a regulatory body including, salaries and allowances.
• The fund gets money by the charges that SEBI levies on market participants in the form of registration or processing fees.
• Regulatory agencies, such as SEBI needs to be given full powers over their assets. They should be made accountable to the Parliament.
• If the powers are subsumed by the Centre, it will certainly effect their credibility.

Trimming SEBI’s financial independence is potentially regressive:

- New amendments to the SEBI Act 1992 lurking in the latest Finance Bill, seek to make material changes to the way the market regulator meets its capital requirements.
- They propose that SEBI obtain the approval of the Centre, in addition to that of its own Board, for all capital expenditure plans.
- They also mandate that SEBI retain just 25 per cent of its annual surpluses in a Reserve Fund while ploughing the rest into the Consolidated Fund of India.
- The Reserve Fund is also proposed to be capped at two year’s annual expenditure.
- The intent seems to be to prevent SEBI from accumulating material reserves, or proceeding with major expenditure plans, without the Centre’s go-ahead. Predictably, this hasn’t gone down well with SEBI which is protesting that this would compromise its regulatory autonomy.
- Any substantive amendment to the SEBI Act should be debated in the Parliament before the law is changed.
- Present amendment introduced as a Money bill, it means that it only have to be approved by the lower house, in which the government has a clear majority.

It will lead to Compromise in Financial Autonomy:

- The proposal will also impinge on the financial autonomy of SEBI as it will have to seek government approval for capital expenditure, which can range from setting up IT infrastructure, expanding the organisational capacity, or any other physical and soft infrastructure that SEBI may require in the light of continuously evolving global securities markets to increasing its employee strength.
- SEBI’s Committee on Corporate Governance in its report submitted in 2017 highlighted the regulator’s staff shortage, comparing it with the US Securities and Exchange Commission (SEC).
- The report mentioned that while the US regulator has around one employee for each listed company, its Indian counterpart had one for six listed companies.
- Autonomy of a regulatory institution like SEBI is, therefore, critical as it insulates the institution from external compulsions and thus, provides long term continuity in its efforts towards achieving its objectives.

Conclusion:

- Forcing SEBI to disgorge the bulk of its reserves would therefore materially dent its income, impairing its ability to invest in regulatory capacity-building.
- In their letter to PMO, however, SEBI employees dubbed the proposal as “regressive in nature” and against the spirit of the SEBI Act, 1992.
• Given the dated audited accounts that SEBI has put out in the public domain, the CAG is quite right to critique the opaque manner in which India’s financial regulators manage public money.
• While demanding greater financial autonomy, regulators must also show themselves to be accountable to the public by being more transparent about their financial affairs.

21. NATIONAL MEDICAL COMMISSION (NMC) BILL

Context:
• The National Medical Commission (NMC) Bill, replaces the 63-year-old MCI with a new oversight body. The Bill also puts a cap on fees on 50 per cent of seats in MBBS and PG colleges.
• In a nation of billion-plus people with woefully inadequate access to healthcare and an acute shortage of qualified doctors, getting a seat at a medical college is often seen as a sure-fire way to prosperity.
• Owners of private medical colleges have for years sought to exploit this heavy demand by charging exorbitant fees, often with the blessings of the Medical Council of India (MCI).
• The Medical Council of India, the country’s regulator for medical education and practice, has been accused of corruption in granting recognition to medical colleges.

In 2016, Supreme Court in its judgment on MCI:
• The Supreme Court in its judgment dated April, 2016, while placing an oversight committee for MCI, had mandated a period of one year for the government to undertake reforms in regulation of medical education and set up appropriate systems in place.
• Thus, achieving high growth in healthcare to meet the growing needs is an area of high priority. Reforms in medical education are necessitated and will have to be undertaken sooner than later.
• However, the needs of medical profession namely professional autonomy and identity have to be appropriately addressed while holding the professionals accountable.
• One of the primary responsibilities of the MCI is to regulate medical education in the country. The NITI Aayog suggested the creation of NMC in August 2016.
• The proposed bill has suggested forming an NMC, which will be a policy-making body for medical education. Scrapping MCI might not be the right move in the long term.

What are the changes in the 2019 Bill?
• On the National Licentiate Examination, the Committee (in 2018) recommended that the relevant clause be redrafted “so as to make the final year MBBS examination as the licentiate examination”.
• There are two crucial changes, following the recommendations of the Parliamentary Standing Committee on Health and Family Welfare (109th report in 2018).

National Medical Commission Bill:
• The NMC will be 29-member body which would comprise of 20 members selected through nomination, and nine through election.
• The new National Medical Commission Bill has the provision for making national standards in medical education uniform by proposing that the final year MBBS exam be treated as an entrance test for post graduation and a screening test for students who graduated in medicine from foreign countries. This bill will be called the National Exit Test (NEXT).
• At present, different medical colleges have different MBBS exam patterns. The NMC’s proposal is to ensure a uniform national pattern for final year MBBS exam so that all medical graduates who get the licence to practise conform to uniform national standards and quality. This bill seeks to establish uniform standards for medical education.
• The medical colleges will have to conform to standards the NMC will lay down. Once they conform and are permitted to operate, there would be no need for annual renewals.
• Perhaps the stand-out provision of the bill is its intent to cap fees on 50% of seats in MBBS and PG courses at private medical colleges. This seems to be a good interim measure, given the state-created squeeze on seat supply.
• However, price caps should not get institutionalized as a matter of policy. What the government needs to do is set up a large number of new medical colleges.
• Simultaneously, it must allow private players, as many as possible, to set up colleges with permits granted in an open and transparent manner.
• An increase in the number of seats, along with scrupulous regulation, would do a better job of solving the sector’s problems than price caps, which are inherently arbitrary and could distort the dynamics of medical education in the long term.
1. One, it has dropped a **separate exit examination**.
2. Two, it has dropped the provision that allowed practitioners of homoeopathy and Indian systems of medicine to **prescribe allopathy medicines** after a bridge course.

**What the Bill provides was Four Autonomous Boards:**

- The structure is in accordance with the **recommendations of the Group of Experts headed by Ranjit Roy Chaudhury**, set up by the Union Health Ministry to study the norms for the **establishment of medical colleges**.

### Medical Council of India vs National Medical Commission

- Hundreds of doctors across the country are protesting against the proposed National Medical Commission Bill (NMC Bill), which seeks to dissolve the Medical Council of India (MCI).
- One of the main responsibilities of MCI is to regulate medical education in the country.

### Fast Facts on Medical Seats

- Number of candidates appearing for National Eligibility cum Entrance Test 2016: 8.02 lakh
- Number of candidates qualifying NEET overall 2016: 4.09 lakh
- Number of MBBS seats in India: 63,535
- Number of postgraduate medical seats: 26,450

The National Medical Commission Bill of 2019 proposes to have **four autonomous boards** to take care of its different functions:

- **Under-Graduate Medical Education Board** to set standards and regulate medical education at undergraduate level.
- **Post-Graduate Medical Education Board** to set standards and regulate medical education at postgraduate level.
- **Medical Assessment and Rating Board** for inspections and rating of medical institutions and
- **Ethics and Medical Registration Board** to regulate and promote professional conduct and medical ethics and also maintain national registers of (a) licensed medical practitioners and (b) Community Health Providers (CHPs).

- **NEXT** would also serve as the **screening test for doctors with foreign medical qualifications** in order to practice in India.
- The Bill marks a **radical change in regulatory philosophy**; under the NMC regime, medical colleges will need permission only once for **establishment and recognition**.
Concerns that need Correction in the bill:

- **Indian Medical Association (IMA)** opposed the bill that it will **cripple the functioning** of medical professionals by making them completely **answerable to the bureaucracy** and non-medical administrators.
- A **bridge course** allowing **alternative-medicine practitioners** to prescribe modern drugs is mentioned in the bill.
- **Unscientific mixing of systems** and empowering of other practitioners through bridge courses will only pave the way for **substandard doctors and substandard medical practice**. This will seriously impact patient care and patient safety.
- The bill allows **private medical colleges to charge at will**, nullifying whatever solace the NEET brought.
- There is no **requirement for periodic renewal of the licence** to practice. Some countries require periodic testing to ensure that practitioners remain up to date, fit to practice, and give good care to patients.
- Clearly, the Bill embodies a **vision for medical education** that does not include higher public investment but, rather, clears the way for converting medical education into a **lucrative profit-making venture**.
- Standards have been laid down for MCI courses, but not for NBE courses which are often **run in private hospitals and nursing homes**.

**Conclusion:**

- **Emigration of doctors** is a major factor contributing to **shortage of doctors**. Further, the issue of reluctance of serving in rural areas should be addressed. NMC should limit emigration of newly graduated doctors.
- It is crucial now for the Centre to **work amicably with States**, and the Indian Medical Association, which is opposed to the Bill, taking them along to ease the process of implementation. The **problem of brain drain** should be addressed.
- At any cost, it must avoid the **creation of inflexible roadblocks** as happened with NEET in some States.
- Increase **more number of doctors** and imparting proper training in their respective fields. Presence of public and private healthcare to remotest of regions.
- It also removed, rightly, a proposal in the older Bill for a **bridge course for AYUSH practitioners** to make a lateral entry into allopathy.
- The clearance of these hurdles, then, as recalled from experience, become fraught with legal and political battles, leaving behind much bitterness. **NEXT will have to be a lot neater**.

### 22. MAKING THE WATER-GUZZLING THERMAL PLANTS ACCOUNTABLE

**Introduction:**

- Water is essential for human survival, and for agriculture and industry.
- The advancing monsoon has brought relief to many parts of India, but its progress has been **slower than average** and the country is still in the midst of a rainfall deficit, with **millions facing an acute water shortage**.
- It is important that India which has **only 4% of the world’s renewable water resources** but about **18% of the world’s population** consumes water more sensibly.
- In India’s pursuit of **100% electrification goal**, the country’s installed power capacity will **need to be doubled**.
- Even with the growth of renewable energy (RE), **coal** has been projected to be the **backbone of the electricity sector till 2030 and beyond**.
- Managing the electricity needs of a country that’s already dealing with water scarcity will be a **challenge**.

**India’s Thermal power plants (TPPs) Located in water-scarce areas:**

- Most of **India’s TPPs** are located in **water-stressed areas**, and water shortages have led to electricity-generation disruptions and significant revenue losses to the economy.
- **Thermal power plants (TPPs)** consume **significant amounts of water** during the electricity generation process.
- In December 2015, the Ministry of Environment, Forest and Climate Change issued a notification **setting limits for water consumption by TPPs**.
- However, the amended Environment Protection (EP) Rules codified in June 2018 ended up permitting TPPs to **use more water than** what was initially specified.
- There are certain mechanisms that **need to be strengthened to make these regulations more effective**.
The Central Electricity Authority (CEA) recently released the format for TPPs to report on their annual water consumption. The power plants were asked to specify both metered and un-metered usage, report on the source (like river, canal or sea), and state the percentage of deviation from the water norms, along with the reasons and the corrective measures undertaken.

40% of India’s Thermal Power Plants Are in Highly Water-Stressed Areas

Only 51% of Thermal Power Plant Meet Regulations:
- In recent, RTI activists obtain compliance status (self-reported) for thermal power plants or units from 12 states. Just about 51% of the plants were found to be in compliance with the regulations.
- Out of the total 156 plants/units for which they could obtain the status, 66 claimed that they complied with the water consumption limits, while 30 admitted that they were non-compliant.
- For another 46 plants, either data was not available, or replies were ambiguous or the plants were closed. As other 14 plants were using sea water, they are exempted from the regulations.
- What is equally important is that this compliance status is self-reported status by the various power plants. These figures or status have not been verified either by the state pollution control boards (SPCBs) or any other independent agencies.

Steps taken by the Thermal Power Plants to monitor the Annual Water Usage:
- These guidelines can be strengthened by including other relevant inputs.
  1. First, TPPs should disclose the amount of water consumed by them in previous years, so that a baseline for water consumption per TPP can be established, and subsequent reductions in water consumption can be quantified.
  2. Second, these reporting requirements currently in the form of an Excel sheet on the CEA website must be added to the EP Rules, to accord the disclosure process greater transparency and enforceability.
3. Third, TPPs should also be required to submit verifiable evidence (for example, water bills) to support and substantiate the disclosures. Without these, the self-reporting guidelines will remain weak.
4. Finally, the data supplied by TPPs should be placed in the public domain, so that the parameters disclosed can be studied in the context of region-specific water shortages, outages in the plants, and future research and analysis in this field.

Specifying Penalties and Framework required for Strict regulation:
- **Some States Gave No Information:** Most did not give for all power plants: Out of RTI applications filed with 15 states, through RTI also, did not get information for even one TPP from three states — Bengal, Karnataka and Rajasthan.
- Most states did not give information about all the TPPs in the states, leading us to wonder whether the states are actually monitoring compliance by all the plants or just passively collecting information from whichever plant submits it, and ignoring others.
- **Self-Reporting, No Independent Verification:** The status of compliance with the regulations of water consumption is entirely self-reported by the respective power plants with no verification from any credible, independent agency.
- **Section 15 of the EP Act** provides for a blanket penalty for contravention of any provisions of the Environment Protection Act or EP Rules: up to five years of imprisonment and/or up to ₹1 lakh fine along with additional daily fines for continuing offences.

### Water Stress and Power Plants by State

![Water Stress and Power Plants by State](image)

**Source:** WRI authors.

However, the Act does not stipulate specific penalties for specific offences.
- Perhaps this is an area for review by the government, so that we have a more nuanced framework for enforcement and penalties.
- Further, the relevant officials in charge of enforcement, across the Ministry and the CEA, should be identified, and their roles clearly defined.
- The implementation of these norms should include milestones and time-based targets, and periodic monitoring of the progress of TPPs in making improvements.

**Way Forward:**
- India will need to balance the needs of its growing economy with its heightening water stress.
- In addition to reducing the stress caused by TPPs, shifting to a more aggressive Renewable Energy pathway will help India achieve its global climate targets.
- However, this will need further work particularly to regulate water consumption by specific Renewable Energy technologies.
• The Ministry of New and Renewable Energy has taken a first step by issuing a notice to State governments on reducing water use for cleaning solar panels and to explore alternative mechanisms to ensure that solar panels remain efficient.
• Stringent implementation of standards for judicious water use by TPPs, combined with the promotion of RE and energy efficiency, will offer pathways for achieving these goals.

23. HAVING THE LAST WORD ON ‘POPULATION CONTROL’

Context:
• Recently, a Union Minister expressed alarm, in a Tweet, over what he called the “population explosion” in the country, wanting all political parties to enact population control laws and annulling the voting rights of those having more than two children.
• In recent past also, a prominent businessman-yoga guru wanted the government to enact a law where “the third child should not be allowed to vote and enjoy facilities provided by the government”. This, according to him, would ensure that people would not give birth to more children.

But Economic Survey given contrasted Reality:
• However, both these demands are wayward and represent a warped thinking which has been rebutted rather well in the Economic Survey 2018-19.
• The Survey notes that India is set to witness a “sharp slowdown in population growth in the next two decades”.
• The fact is that by the 2030s, some States will start transitioning to an ageing society as part of a well-studied process of “demographic transition” which sees nations slowly move toward a stable population as fertility rates fall with an improvement in social and economic development indices over time.
• Presently, India’s population stands at nearly 134 crore while China is inhabited by nearly 140 crore.
• Which means in another two years, India will overtake China. There is no denying that urgent and aggressive steps such as strict control policies and linking their observance with incentives are urgently needed to control the population.

Reasons for Population Explosion:
• As the National Family Health Survey-4 (2015-16) notes, women in the lowest wealth quintile have an average of 1.6 more children than women in the highest wealth quintile, translating to a total fertility rate of 3.2 children versus 1.5 children moving from the wealthiest to the poorest.
• Women with no schooling have an average 3.1 children, compared with 1.7 children for women with 12 or more years of schooling.
• The poor tend to have more children because child survival is low, son preference remains high, children lend a helping hand in economic activity for poorer households and so support the economic as well as emotional needs of the family. This is well known, well understood and well established.
• Family health, child survival and the number of children a woman has are closely tied to the levels of health and education.
• This reveals the depth of the connections between health, education and inequality, with those having little access to health and education being caught in a cycle of poverty, leading to more and more children, and the burden that state control on number of children could impose on the weakest.

About The National Population Policy, 2000:
• Indian Policies are focusing on the root cause of the population growth rather than controlling the population directly.
• An Expert Group headed by M.S. Swaminathan was appointed to prepare the draft of a national population policy. The National Population Policy (NPP) finally came into force in 2000.
• The National Population Policy, 2000 uses the world ‘control’ just thrice in references to National AIDS Control to decrease mortality rate and provide opportunities to new population.
• This shows that India has looked at population so that it truly becomes a thriving resource of Indian Economy.
• Currently, as many as 23 States and Union Territories, including all the States in the south region, already have fertility below the replacement level of 2.1 children per woman showing support rather than control works.
• In 2017, government mentioned that Family Planning Programme in India is target free and voluntary in nature and it is the prerogative of the clients to choose a family planning method best suited to them as per their reproductive right.
• There should be a clear understanding that **offering choices and services** rather than outright state control works best.

![Period of demographic dividend in large economies](image)

**India have to see Population as a Resource rather than Burden:**

- As per Economic Survey 2018-19, India is set to **witness a sharp slowdown** in population growth in the next two decades.
- Moreover, in 2018, the government proposed ‘lifecycle framework’ to protect the health and nutrition needs of mother and child, till the adolescent stage of child.
- Population is the life blood of a growing economy. Today, as many as 23 States and Union Territories, including all the States in the south region, already have **fertility below the replacement level of 2.1 children per woman**. So, support rather than control works.
- To **integrate Indian Systems of Medicine (ISM)** in the provision of reproductive and child health services, and in reaching out to households is best way forward.
- If the **number of working population increases**, given that they are provided with suitable jobs, the production of any economy will increase.
- Once the **economic output increases**, taxes will also increase which empower the government to spend more on public services, goods and investments.

**Conclusion:**

- The present government supports the **idea of voluntary and target free family planning in India**.
- The damage done when **mishandling issues of population growth** is long lasting. Let us not forget that the scars of the Emergency are still with us.
- Men used to be part of the family planning initiatives then but after the excesses of forced sterilisations, they continue to remain completely out of family planning programmes even today.
- The government now mostly works with woman and child health programmes. Mistakes of the Emergency-kind are not what a new government with a **robust electoral mandate** might like to repeat.
This shows that government is focusing on benefits of demographic dividend to support growth by providing range of services to mother and child rather than denying services.

24. PRIVATE MEMBER’S BILL URGES STATE POLL FUNDING

Context:

- Congress MP Rajeev Gowda has moved a private member’s bill - Representation of the People (Amendment) Bill in the Rajya Sabha that seeks removal of the limit and state funding of elections as part of reforms to the way polls are financed in India.

- Following reports that thousands of crores have gone into campaigning during the Lok Sabha polls, recently, Bengal Chief Minister has written to Prime Minister Narendra Modi seeking thorough “electoral reforms” and State funding of elections.

- She has called upon the Prime Minister to explore possibilities of public funding of elections and build up a consensus through an all-party meeting.

Previous Government reports that looked at state funding of elections:

- The Indrajit Gupta Committee (1998): It endorsed state funding of elections, seeing “full justification constitutional, legal as well as on ground of public interest” in order to establish a fair playing field for parties with less money. The Committee recommended two limitations to state funding, that the:
  - State funds should be given only to national and state parties allotted a symbol and not to independent candidates.
  - Short-term state funding should only be given in kind, in the form of certain facilities to the recognised political parties and their candidates.

- The 1999 Law Commission of India report concluded that total state funding of elections is “desirable” so long as political parties are prohibited from taking funds from other sources.
  - This report also concurred with the Indrajit Gupta Committee that only partial state funding was possible given the economic conditions of the country at that time.
  - Additionally, it strongly recommended that the appropriate regulatory framework be put in place with regard to political parties before state funding of elections is attempted.

- The National Commission to Review the Working of the Constitution, 2001, did not endorse state funding of elections but concurred with the 1999 Law Commission report that the appropriate framework for regulation of political parties would need to be implemented before state funding is considered.


- It also recommended partial state funding of elections for the purpose of reducing “illegitimate and unnecessary funding” of elections expenses.

Benefits of State Funding in Elections:

As for the question, why should the public pay for political parties, one easy answer is if we want honesty and transparency in governance, this is a small price to pay. Hypothetically, a thousand crores of public money is peanuts compared to the end result of ensuring transparency in elections.

- Public funding of elections will lead the Government to bear the expense of contesting the elections on behalf of the political parties. Political parties have multiple sources of funding and thus accountability and transparency becomes all the more important.

- The key to regulate political funding lies in bringing down election expenditure and ensuring that it provides an opportunity to get the best public men and women to participate.

- Public funding can increase transparency in party and candidate finance and thereby help curb corruption.

It is the beauty of Indian democracy that ideological difference does not deter anyone from celebrating the life of an opponent ... Having spent a large part of his public life in the Opposition, Indrajit Gupta knew that without an Opposition, democracy has no soul.

MANMOHAN SINGH, Former Prime Minister
Political parties and candidates need money for their electoral campaigns, to keep contacts with their constituencies, to prepare policy decisions and to pay professional staff. Therefore, public funding is a natural and necessary cost of democracy.

Public funding can limit the influence of interested money and thereby help curb corruption.

If parties and candidates receive at least a basic amount of money from the State the country could have a functioning multi-party system without people having to give up their scarce resources.

However, the concerns that need to be addressed:

- There is a serious question to notice that how a Government that is grappling with deficit budgets, can provide money to political parties to contest elections.
- They also warn that state funding would encourage every second outfit to get into the political arena merely to avail of state funds.
- Indian political parties, unlike western democracies, are not mere platforms to put some people into elective public office but are like standing armies that need continuous nourishment.
- Thus, there are two aspects to the financing of the democratic process: the financing of elections from the panchayat level to Parliament, and the funding of political parties that is not election-specific but is an exercise in perpetuity for reasons enunciated above.

**Way Forward reforms for State Funding:**

- Having a regulatory authority to receive authentic reports on political funding, scrutinise them and put them in the public domain.
- We should create a national election fund to which corporates and others can be asked to donate.
- Business houses can make donations to the parties they are beholden to and the funds will be disbursed according to your performance.
- Complete disclosure of political funding and audit of political parties’ accounts have to be the first steps towards reforming political finance.
- Holding simultaneous elections to the Lok Sabha as well as the State Assemblies. Citizen activism that keeps a close watch over campaigning.
- A system for partial state funding should be introduced in order to reduce the scope of illegitimate and unnecessary funding of expenditure for elections.
- Political parties should lead by example by coming under the ambit of RTI, especially with respect to their funding.

**Conclusion:**

- There is a need for an all-party meeting with the single agenda of public funding of elections in India, with the objective of rooting out what has been called the mother of all corruption.
- By providing “floor level fund” to everyone, state fund scheme can be very helpful for smaller and newer political entrants. Transparency in funding is essential to ensuring clean, democratic governance.
- Public funding, if implemented properly, can strengthen lower levels of party units to a situation where they can demand democratisation. It can therefore solve the problem of concentration of power in the hands of few and creation of dynastic politics.
- In recent, newspaper reports which alleged Rs 60,000 crore had been spent in this year’s parliamentary elections and maximum expenditure remains unknown and could be much higher saying such reports will not do any good to India’s reputations as a democratic country.
- Fearing that this amount may surpass Rs 1 lakh crore in the next general elections, therefore the issue should be addressed immediately.

**25. GOVERNING INDIA THROUGH FISCAL MATH**

**Introduction:**

- The Budget 2019-20 has pegged the fiscal deficit for the year 2019-20 at 3.3% of GDP.
- Revenue deficit is targeted at 2.3% of GDP, which is higher than the revised estimate of 2.2% in 2018-19.
- Note that the government is estimated to breach its budgeted target for fiscal deficit (3.3%) in 2018-19 and the medium-term fiscal target of 3.1% in 2019-20.
• The Government has committed to the path of Fiscal consolidation under the FRBM act. Under this act, the Government has targeted to reduce the FD to 3% of India’s GDP.
• But the argument is that the Government’s sole focus on reducing Fiscal deficit is not sound economic management. Apart from Fiscal Deficit, the revenue deficit must also be in picture.

Fiscal Deficit and Revenue Deficit:
• The fiscal deficit by alone may not provide a true and complete picture of the government finances.
• Both Fiscal Deficit and Revenue deficit are required to be lower for efficient management of public finances.
• Presently, the fiscal deficit for the financial year 2018-19 is 3.4% while the revenue deficit is 2.2%. Thus, the revenue deficit accounts for around two-third of the fiscal deficit which shows that some of the Government’s borrowings have been diverted towards meeting the operational expenses.

Fiscal Deficit will not reflect the 360 degree Picture of Development and Growth:
While a sound fiscal policy is highly desirable, the magnitude of the fiscal deficit is not always and everywhere thinking here of the state of the economy a good measure of soundness.
• First, the fiscal deficit reflects the overall imbalance in the Budget. Embedded in the accounts of the government is the revenue account which is a statement of current receipts and expenditure.
• A fiscal deficit may or may not contain within it a deficit on the revenue account, termed the “revenue deficit”.
• The possible embeddedness of a revenue deficit within a fiscal deficit muddies the waters somewhat.
• For movements in the overall, or fiscal, deficit by itself tell us nothing about what is happening to the revenue deficit.
• We worry because it is the balance on the revenue deficit that indicates whether the government is saving out of its income or spending more than it receives as current revenue. A revenue deficit implies that the government is dissaving.

India opting for overseas bonds:
• The government has announced its plans to raise a portion of its gross borrowing from overseas markets.
• While several commentators have argued that this is a risky move, the government itself is convinced that it will help boost private investment in the country.
• A government bond or sovereign bond is a form of debt that the government undertakes wherein it issues bonds with the promise to pay periodic interest payments and also repay the entire face value of the bond on the maturity date. So far, the government has only issued bonds in the domestic market.
• The government has been arguing that the quantum of its borrowing within India is ‘crowding out’ the private sector. In other words, it is saying that government borrowing is at such a level that there are not enough funds available for the private sector to adequately meet its credit and investment needs.

Issues concern with Overseas Bonds:
• However, the other side is that, with this, India might follow the path of some Central and South American countries such as Mexico and Brazil.
• In the 1970s, several of these countries borrowed heavily overseas when the global market was flush with liquidity. But then, when their currencies depreciated sharply a decade later, these countries were in big trouble as they could not repay their debt.
• This would also lead to a quicker increase to its foreign exchange reserves, which would lead to a stronger rupee at a time when it is already appreciating against the dollar.
• A stronger rupee would encourage imports at a time when the government is trying to curb them, and discourage exports at a time when they are being encouraged.
• And also, if rupee depreciation for whatever external reason would prove even more disastrous as it would make it far more expensive for India to repay its external debt.
• Dollar-denominated debt has to be repaid in dollars. Right now, our reserves are fairly high but this could change.
• Oil prices could go back to where they were, the trade war initiated by U.S.A holds little prospect for faster export growth, and portfolio investment may flow out.
• With revenue deficits the overwhelming part of the fiscal deficit, we would be borrowing to finance consumption.
• While these are only possibilities, they point to the need to ultimately base your borrowing plan on expected dollar earnings. The opportunity offered by low global interest rates right now is not matched by the likelihood of robust export growth.

Conclusion:
• Thus, reduction in the Fiscal deficit by the government may not provide a true picture since such a reduction may be brought about through the reduction in the capital expenditure, which is undesirable.
• Further, the government has recently announced in the budget that it would borrow money through the issue of overseas sovereign bonds.
• This raises further concerns because the revenue deficit is major part of Fiscal deficit, thus we would resort to international borrowing to finance our current operational expenses.
• To suggest that fiscal prudence rewards economies is to suggest both that the fiscal deficit is the right indicator of fiscal soundness and that reducing it is bountiful.
• Therefore, unless the revenue deficit is kept explicitly in the picture, we cannot deduce the soundness of economic management from a mere reduction in the fiscal deficit.

26. BAN OR REGULATE? — ON INDIA’S POLICY ON CRYPTOCURRENCIES

Context:
• The recommendation of an inter-ministerial committee that India should ban all private cryptocurrencies, that is, Bitcoin and others like it.
• Indian policymakers and administrators have time and again made clear their distaste for them, their existence owed almost entirely to advanced encryption technologies.
• In his Budget speech in 2018, Finance Minister Arun Jaitley said the government doesn’t consider them legal tender. The Reserve Bank of India has repeatedly warned the public of the risks associated with dealing with cryptocurrencies.

Inter-ministerial committee recommended ban all private cryptocurrencies:
• The Inter-ministerial committee is worried that if private cryptocurrencies are allowed to function as legal tender, the RBI would lose control over the monetary policy and financial stability, as it would not be able to keep a tab on the money supply in the economy.

Distributed ledger technology (DLT) and Blockchain technology:
• Distributed ledger technology (DLT) is a digital system for recording the transaction of assets in which the transactions and their details are recorded in multiple places at the same time.
• Unlike traditional databases, distributed ledgers have no central data store or administration functionality.
• Whether distributed ledger technologies, such as blockchain, will revolutionize how governments, institutions and industries work is an open question.
• Blockchain technology is a specific kind of DLT that came to prominence after Bitcoin, a cryptocurrency that used it, became popular.
• Cryptocurrencies such as Bitcoin use codes to encrypt transactions and stack them up in blocks, creating Blockchains. It is the use of codes that differentiates cryptocurrencies from other virtual currencies.
• There is **no grievance redressal mechanism** in such a system, as all transactions are **irreversible**.

• The **anonymity of private digital currencies** make them vulnerable to money laundering and use in **terrorist financing activities** while making law enforcement difficult.

• The inter-ministerial committee believes it is, going so far as to draft a law that mandates a **fine and imprisonment of up to 10 years** for the offences of mining, generating, holding, selling, dealing in, transferring, disposing of, or issuing cryptocurrencies.

• According to a report by the Bank of International Settlement, Bitcoin processing already **uses as much energy as is used by Switzerland**; it called this an **environmental disaster**.

• Scaling up such a currency system over a large population would require **crippling levels of energy resources**. Currencies such as Bitcoin require humongous processing power.

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**Idea of Central Bank Digital Currency (CBDC):**

• The IMC’s view is that it “would be advisable to have an open mind regarding the introduction of an **official digital currency in India**”.

• It noted that the **RBI Act of 1934** has the enabling provisions to permit the central government to approve a “**Central Bank Digital Currency**” (CBDC) as legal tender in India.
However, The Inter-ministerial committee recognises the potential of DLT and Blockchain technology:

- The IMC accepts that internationally, the **application of DLT** is being explored in the areas of trade finance, mortgage loan applications, digital identity management or KYC requirements, cross-border fund transfers and clearing and settlement systems.
- To that extent, it recommends the Department of Economic Affairs (within the Finance Ministry) to take necessary **measures to facilitate the use of DLT** in the entire financial field after identifying its uses.
- Increased time effectiveness due to the **real-time transactions**. Direct Transactions eliminate the overheads and intermediary costs.
- Reduced risks related to **cybercrimes, frauds and tampering**. More transparent processes with a **proper record creation and tracking**. Highly secure due to cryptographic and decentralized Blockchain protocols.
- The IMC also recommends that regulators such as RBI, SEBI, IRDA, PFRDA, and IBBI explore **evolving appropriate regulations** for development of DLT in their respective areas.
- Blockchain does **not store any of its information in a central location**. Instead, the blockchain is copied and spread across a network of computers.
- Whenever a new block is added to the blockchain, every computer on the network updates its blockchain to reflect the change.
- By spreading that information across a network, rather than storing it in one central database, blockchain becomes **more difficult to tamper with**.

**Conclusion:**

- The government will see opportunities for revenues as large number of people have made **gains through cryptocurrency**.
- There will have to be a provision for an **exit plan to ‘declare’ and ‘dispose’** the cryptocurrencies which are currently being held.
- There is a need of recognize the rise in popularity of **cryptocurrency** and then introduce **safeguard, measures and regulatory structure** by which people do not feel that they should have something to fall back on.
1. CHILD SAFETY IN SCHOOL

**Introduction:**
- A petition seeking notification and implementation of guidelines for fixing accountability on schools for the safety of children has been filed in the Supreme Court. The petition has been filed by NGO, Bachpan Bachao Andolan, run by Nobel Prize winner Kailash Satyarthi. The petitioner has prayed for a direction to the Central government to notify and implement the Fixing Accountability of School Management towards Safety and Security of Children in School - Guidelines or Accountability Guidelines.
- The Accountability Guidelines lay down the responsibilities of school management towards ensuring the safety and security of children in schools, both government and private. The Accountability Guidelines, prepared by the Department of School Education & Literacy, Ministry of Human Resource Development (MoHRD) in consultation with the National Commission for the Protection of Child Rights (NCPCR), have not been notified yet.
- The cause of action for filing the present petition has arisen because despite there being various laws relating to child safety and security along with the recent Draft Accountability Guidelines, there is no confidence in the implementation of these laws, the petition states.

**What is school safety?**
- “School Safety” has been defined as creating a safe environment for children, starting from their homes to their schools and back. This includes safety from any kind of abuse, violence, psychosocial issue, disaster: natural and manmade, fire, transportation.
- Emotional safety is especially important because it is often difficult for teachers and parents to detect emotional problems and difficulties in children.

**NCPCR:**
- The National Commission for Protection of Child Rights (NCPCR) was set up in March 2007 under the Commission for Protection of Child Rights Act, 2005.
- It works under the administrative control of the Ministry of Women & Child Development.
- The Child is defined as a person in the 0 to 18 years age group.
- The Commission’s Mandate is to ensure that all Laws, Policies, Programmes, and Administrative Mechanisms are in consonance with the Child Rights perspective as enshrined in the Constitution of India and also the UN Convention on the Rights of the Child.

**The Juveniles Justice Act, 2015:**
- The Act clearly defines and classifies offences as petty, serious and heinous, and defines differentiated processes for each category. Keeping in view the increasing number of serious offences being committed by persons in the age group of 16-18 years and recognizing the rights of the victims as being equally important as the rights of juveniles, special provisions are incorporated in the Act to tackle heinous offences committed by individuals in this age group.

**Protection of Children from Sexual Offences (POCSO) Act, 2012**
- The POCSO Act, 2012 was enacted to protect the Children from Offences of Sexual Assault, Sexual harassment and pornography with due regard for safeguarding the interest and well-being of children.
- The Act defines a child as any person below eighteen years of age, and regards the best interests and welfare of the child as matter of paramount importance at every stage, to ensure the healthy physical, emotional, intellectual and social development of the child.
- The Act defines different forms of sexual abuse, including penetrative and non penetrative assault, as well as sexual harassment and pornography.
- The Act deems a sexual assault to be "aggravated" under certain circumstances, such as when the abused child is mentally ill or when the abuse is committed by a person in a position of trust or authority like a family member, police officer, teacher, or doctor.
- The Act also casts the police in the role of child protectors during the investigative process.
- The Act stipulates that a case of child sexual abuse must be disposed of within one year from the date the offence is reported.
Bullying can cause victimized students to suffer from lower self-esteem and daily stress about their well-being.

Right to Education (RTE) Act:
- The Right of Children to Free and Compulsory Education (RTE) Act, 2009
- This act is an embodiment of Article 21-A, which says that every child has a right to full time elementary education of satisfactory and equitable quality in a formal school which satisfies certain essential norms and standards.
- Article 21-A and the RTE Act came into effect on 1 April 2010.
- It is seen as the most historic development in universalisation of elementary education in the country.
- It implies that every child in the age group of 6 to 14 years has Right to elementary education. They are entitled for free and compulsory education.

Present Status:
- We lack a value system. Our education only provides skills to get a job.
- The refusal to make complaint about the misbehaviour of the school staff. The accused in the Ryan school case was suspended at another school without a police complaint.
- Not complaining emboldens serial sexual offenders & jeopardizes the lives of innocent children.
- Parents do not want to get into the legal system and fear vindictive action from the school.
- The lack of reporting leaves children even more vulnerable to attacks.
- Guidelines for Prevention of Child Abuse have been largely ignored.
- There is no specific law passed by Parliament to deal with the crimes against children in
- Deficient infrastructure, lack of toilets and inadequate safety measures are the reasons for children to feel unsafe. Toilets were identified as vulnerable areas for children.
- The Child Protection Policy ensures safety of children in schools. But, apart from Delhi, this has not been adopted by any other state.

Nature of Child abuse:
- Children have been hurt and abused at school.
- Children are being abused by the caretaker and bus attendant.
- Abuse that our children face from classmates, teachers and even school heads.
- Many students have died or been injured due to poor infrastructure at the schools.
- A survey conducted by World Vision India revealed that one in every two children is a victim of sexual abuse.
- A UNICEF report said that majority of abuses of children was reported for the age group of 5 to 11 years.
- Children are unable to deal with the consequences of the humiliation meted out to them.

Guidelines:
- In 2017, NCPCR which is the premier institution in the country for protection of children had developed a manual for the safety and security of children.
- In 2018, they also developed guidelines for children living in hostels.
- In 2018, the MoHRD identified the responsibility to implement those guidelines.
- 1 year down the line those are still draft guidelines .

Recent incidents:
- Ryan International School
- Bihar Mujaffarpur Shelter home case.
- A hostel case in tribal school

Concerns:
- RTE is the justiciable right of every children but free and compulsory education is still not the reality.
- Private schools are outside the ambit of MoHRD, they are under CBSE which is not a statutory.
- Condition in government schools is alarming.
- Guidelines are only preventive in nature.
- Infrastructure provision is from satisfactory.
Solutions:
- All the stakeholders including parents, teachers, students, school management, and the education department authorities must **identify the lacunae and create a manual for school safety.**
- These stakeholders must be given responsibility for implementing the guidelines.
- The list of criminals with past cases of wrongdoing against kids must be circulated in each & every school of our country.
- **ISO certification** on safety guidelines.
- Schools should deploy sufficient security guards from recognised security agency only.
- Safety protocols must be put in place and police verification conducted for all employees.
- **Accountability should be fixed right** from the owner to the level of principal.
- As a parent, it is important that we teach our children to be assertive in order to protect themselves against incidents of bullying and emotional exploitation.
- At school, creating a safe learning environment, identifying pupils who are at risk of harm and then taking suitable action.
- Create a buddy system where children are paired up, or are in groups of three.
- Educate children and make them aware of their own rights over their bodies. Teach children about good touch and bad touch.
- Healthy and open conversations within schools can identify potential flash points and early action can be taken to save children from harm.
- Auditing the school infrastructure and amenities to create a better and safe learning environment.
- Make self defense classes mandatory for both boys and girls.
- Child Abuse Prevention Committee should be appointed including staff and parents to tackle local issues.
- Child counsellor should be a full time employee in every school and she/he should talk to every child regularly.
- We need to create quality human beings. We need to radically change the education system.

Conclusion:
- **The children are the biggest asset of the nation.** They are the most vulnerable part of the society who needs to be protected.
- With care, with vigilance and with supervision the school can be made a safe space.

Source: [https://www.youtube.com/watch?v=MAcVb22ObLU](https://www.youtube.com/watch?v=MAcVb22ObLU)

### 2. STRENGTHENING INDIA’S INFRASTRUCTURE

**Introduction:**
- In line with its election promise of Rs 100 trillion investment in the infrastructure sector by 2024, the NDA government would be targeting low-hanging fruits, such as Metro projects, inland waterways, natural gas grids and airport privatisation, to give a fillip to private sector investment in the first few months of its tenure.
- Getting private sector back in a big way would be the topmost priority since the government has a limited fiscal headroom. Fitch said in a May 24 report that reducing general government debt to 60 per cent of the GDP ceiling by FY25, from the rating agency’s 68.8 per cent of the GDP in FY19 would require a significant deficit reduction of about 0.5 per cent of GDP annually.
- The government’s own budgetary support would, therefore, be largely limited to creating infrastructure support for agriculture, IT in education and digital networks for its social outreach programmes. The road sector, however, would have to continue to depend on borrowings and budgetary resources, like the railways.
- The last five years have seen massive spending in roads, railways, water, irrigation and urban infrastructure.

**Why Infrastructure Development is necessary?**
- For a massive country such as India, improvement in infrastructure is a necessity.
- Target of 5 trillion economy.
- Infrastructure development will generate growth, employment and pull people out of poverty.
Infrastructure development will benefit Government’s Ease of Doing Business. Developing Renewable Energy sector will help in mitigating climate. Infrastructure investments can also help improve peace and security by enabling, sustaining and enhancing societal living conditions.

Plethora of incomplete infrastructure projects:

- Projects are launched without adequate ground preparation regarding the land requirement and project cost.
- Failure in recovering the investment.
- Lack of co-operation at the state level, which is a big hurdle since land acquisition is the state’s business.
- Informality and corruption in infrastructure project delivery and lack of performance pre.
- Environmental clearance delays, protest by the displaced populations and hurdles due to local politics.
- In some cases tendering process is incomplete or the terms and conditions are unclear.
- Lack of private sector funding.

Government Efforts:

- With Initiatives such as ‘Housing for All’ and ‘Smart Cities,’ the government is working on reducing the bottlenecks that impede growth in the infrastructure sector.
- Under UDAY scheme the government has taken steps to improve operational and financial parameters of discoms.
- The National Highways Authority of India (NHAI) launched Masala Bonds in May 2017, for raising capital for funding the infrastructure projects in India.
- National Infrastructure Investment Fund (NIIF) with an initial corpus of Rs 40,000 crore.
- The modernization of Indian Railways has been one of the top priorities of the central government.

Some of the key infrastructure sectors.

1. Green Infrastructure:
   - Infrastructure facilities that are environment-friendly can lead to sustainable development of cities.
   - India will benefit if investments are steered towards green-infrastructure projects.
   - Green bonds can provide a long-term source of debt capital for renewable infrastructure projects.
   - Germany is one country that has been a nest for the innovation and application of green technologies. This can provide a useful lesson for India.

2. Logistics Sector:
   - The logistics sector needs to be improved because of its impact on improving competitiveness in the economy.
   - Improving logistics sector has huge implication on exports and it is estimated that a 10% decrease in indirect logistics cost can increase 5-8% of exports.

3. Social Infrastructure:
   - Priority to social infrastructure is stated as essentials to inclusive and sustainable growth.
   - Higher public investment in the social sector, including education and health, is critical for India.
   - Being a developing economy “there is not enough fiscal space” to increase expenditure on critical social infrastructure.
   - India has made significant progress in quantitative indicators such as enrolment levels and physical infrastructure like construction of school buildings, drinking water facilities, toilet, etc.
   - The quality of education also needs to be monitored and assessed.
   - India has been successful in achieving gender parity in the school sector and in higher education it is moving towards a better gender parity.
   - Growing expenditure on health is burdening the public in gen.

4. Ports:
   - India needs to revamp institutional and regulatory environment around ports.
   - Corporatisation of ports is one way of achieving efficient and world class ports by the conversion of major port trusts into truly commercial organisations.
   - In terms of infrastructure, it is important to maintain draft to serve bigger vessels, ensure mechanisation of ports through introduction of new equipment and procedures, build new facilities, upgrade existing facilities and automate systems/procedures.
5. Transport infrastructure: We need sound public transport infrastructure because if we donot have proper infrastructure we cannot have urbanization
   - At the highest ever pace of construction
   - World-class expressways such as the Eastern Peripheral Expressway and Western Peripheral Expressway.
   - Technologically sound projects which are engineering marvels such as the Dhola-Sadiya Bridge, Chenani Nashri Tunnel and Bogi-Beel bridge.
   - The Bharatmala Pariyojana is unique and unprecedented in terms of its size and design, as is the idea of developing ports as engines of growth under Sagarmala.

6. Private Investment: Government alone cannot meet the target because of fiscal consolidation so encouraging private investment is the must
   - National highways remain the only bright spot, where policy actions and the hybrid annuity model (HAM) have revived projects.
   - Toll-operate-transfer (TOT) auction is a great example of asset monetization and crowding-in of private capital.
   - A spike in public spending has offset some of the fall in private investments
   - Private sector participation in infrastructure delivery helps deliver tangible benefits.
   - The private sector has also delivered efficiently—both on project execution as well as operations.
   - Private participation enhances public accountability.
   - Public private partnership (PPPs) bring back trust in public utilities that execute them, improve service delivery and bridge resource gaps.
   - Reviving the stalling private sector investments is crucial to accelerate the infrastructure build-up that India needs, aspires for, and deserves.

7. Government Efforts: The Government has taken several steps to encourage investment by private sector like launching of innovative financial vehicles such as
   - Massive investment has been done.
   - Infrastructure Debt Funds
   - Infrastructure Investment Trusts/Real Estate Investment Trusts
   - Framework for issuance of municipal bonds
   - Relaxation in External Commercial Borrowing (ECB) norms.
   - Establishment of National Investment and Infrastructure Fund (NIIF)
   - Relaxation of norms for Employees’ Provident Funds Organization (EPFO)/pension funds for infrastructure sector
   - Infrastructure is a key driver of the overall development of Indian economy. It is seen that investments in infrastructure equal to 1% of GDP will result in GDP growth of at least 2% as infrastructure has a “multiplier effect” on economic growth across sectors. The recent headway made in developing transport infrastructure will prove to be the biggest enabler for growth. An efficient infrastructure is the biggest enabler for growth. India’s growth story should no longer be impeded by a lack of infrastructure, and the fruits of this growth should reach everyone in the remotest part of the country.

Source: https://www.youtube.com/watch?v=h8TYzIo6ByA

3. NEW GOVERNMENT’S THRUST ON MANUFACTURING

Introduction:
   - Manufacturing in 2017 contributed only about 16% to India’s GDP, stagnating since economic reforms began in 1991. By contrast, in east and south-east Asia, the industry share has exceeded 30-40% while manufacturing is up 20-30%. India’s manufacturing share of GDP has not moved up at all, though between 2004 and 2012 manufacturing employment growth was reasonable. However, total manufacturing employment has fallen significantly between 2011 and 2016 by 10 million in just four years, especially in labour-intensive manufactures. This is the opposite of what was achieved in Japan, Korea, Taiwan and China. By contrast, in India the labour intensive manufacturing sectors like food processing, tobacco, textiles, apparel, leather, wood and furniture have seen a decline since 2012.
   - The manufacturing sector is part of the goods-producing industries super sector group. The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in the Manufacturing sector are
often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker’s home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.

- India’s manufacturing sector has evolved through several phases – from the initial industrialisation and the license raj to liberalisation and the current phase of global competitiveness

**Opportunities:**

- India offers the 3 ‘Ds’ for business to thrive— democracy, demography and demand.
- Manufacturing sector holds good prospects for jobs with promising remuneration
- Various studies have estimated that every job created in manufacturing has a **multiplier effect** in creating 2–3 jobs in the services sector.
- **65% of India’s population is below the age of 35** – giving us the edge of demographic dividend.
- GST and improving public spending through infrastructure projects are favourable moves for the sector.
- The labour-intensive manufacturing sector is the only ray of hope for India to absorb its huge labour force.
- Robust domestic demand, a growing middle class, a young population and a high return on investment, makes India an attractive opportunity to manufacturers.
- The cost of manpower is relatively low as compared to other countries.

**Issues:**

- **Banks are reluctant to offer credit for industrial activity.**
- Nature of the trade regime in India is still biased towards capital intensive manufacturing
- Small Enterprises suffer from low productivity given that their small size prevents them from achieving economies of scale.
- The jobs the small enterprises create are low-paying ones.
- Industry’s inadequate expenditure on research and development (R&D). Currently, R&D spending amounts to around 9% of GDP.
- MSME sector facing tough competition from cheap imports from China and other countries with which India has free trade agreements.
- Black money generation, not complying with tax laws, and the attendant corruption, has an adverse impact on making India a competitive manufacturing destination.

**Challenges:**

- We are facing both investment and consumption crises.
- Numerous regulatory roadblocks, unfavourable land and labour laws, inadequate transport, communication and energy infrastructure, among others.
- India faces stiff competition from South-East Asian and other South Asian countries.
- Global technological and geo-economic changes.
- Impact of a strong rupee in recent times on Indian industry and the economy.
- According to a FICCI report, India has 5.5 million people enrolled in vocational courses, while China has 90 million of them.

**Government Initiatives:**

- **Make in India** initiative with the primary goal of making India a global manufacturing hub.
- **‘Zero defect zero effect’** for MSMEs to deliver top quality products using clean technology.
- **‘SKILL INDIA’** – a multi-skill development programme with a mission for job creation and entrepreneurship.
- Labour reforms through a dedicated Shram Suvidha Portal, Random Inspection Scheme, Universal Account Number and Apprentice Protsahan Yojana.
- Defence Procurement Policy (DPP) under which the priority will be given to the indigenously made defence products.
• Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies by MSMEs.
• Pradhan Mantri MUDRA Yojana (PMMY) for providing loans to small-scale businesses.

Need of New Manufacturing Policy:
• The contribution of manufacturing to GDP in 2017 was only about 16%, a stagnation since the economic reforms began in 1991. The contrast with the major Asian economies is significant. For example, Malaysia roughly tripled its share of manufacturing in GDP to 24%, while Thailand’s share increased from 13% to 33% (1960-2014). In India manufacturing has never been the leading sector in the economy other than during the Second and Third Plan periods.

Way Forward:
• Investor’s confidence must be improved.
• Improving physical infrastructure from transport systems to the power sector is essential.
• Importance should be given to electronic sector.
• Improve access to finance for smaller enterprises.
• Making firm entry and exit easier.
• Inverted duty structure.
• Enhancing the flexibility of labour regulations.
• Low-cost manufacturing is important for India.
• If India has to raise its share of manufacturing in GDP to around 25%, industry will have to significantly step up its R&D expenditure. This must be addressed by the new industrial policy.
• The quantum of value addition has to be increased at all levels. Larger the value addition, greater the positive externalities.
• FDI policy requires a review to ensure that it facilitates greater technology transfer, leverages strategic linkages and innovation.
• Aim for higher job creation in the formal sector and performance linked tax incentives.
• Attractive remuneration to motivate people to join the manufacturing sector.
• Need to have a curriculum that focuses on soft-skills and value-based training that meets the demands of the industry.

Manufacturing sector is very important to provide jobs for ever increasing job force in India, but today manufacturing sector in India is suffering from various issues. Though governments come up with various policies like Make In India, but it need to address core problems as discussed above, then only Manufacturing sector in India will grow at the required rate and will provide jobs for ever increasing job force.

4. WORLD ECONOMIC FORUM- SUMMER DAVOS 2019

Introduction:
• An effort to promote and strengthen globalization is the focus of the World Economic Forum’s 13th Annual Meeting of the New Champions, which taking place on July 1-3 in the city of Dalian in northeastern China. Also known as the Summer Davos, the meeting has become synonymous with China, being held alternately on an annual basis in Dalian or Tianjin. It is basically the World Economic Forum’s global meet to promote innovation, science and technology.
• The theme of the Annual Meeting of the New Champions 2019 is “Leadership 4.0: Succeeding in a New Era of Globalization.” It sums up the main focus of the gathering which will attract more than 1,800 leaders of diverse fields from around the globe.
• The participants represent politics, business, trade, civil society, academia and media. According to the organizers, 70% of the guests will come from outside China, representing 120 countries covering more than half the world.
• Last year, the Tianjin Summer Davos drew some 2,500 business leaders, policy makers and experts from over 111 countries for a global discourse focusing on the theme of “Shaping Innovative Societies in the Fourth Industrial Revolution.
World Economic Forum:

- It was established in 1971 by Klaus Schwab as a not-for-profit foundation
- headquartered in Geneva, Switzerland
- Formerly called European Management Forum

Motto: Committed to improve the state of the world

- It is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.
- It is independent, impartial and not tied to any special interests.
- The Forum strives in all its efforts to demonstrate entrepreneurship in the global public interest while upholding the highest standards of governance. Moral and intellectual integrity is at the heart of everything it does.

Governance

- Chairperson: Founder and Executive Chairman Professor Klaus Schwab
- Board of Trustees: exceptional individuals who act as guardians of its mission and values, and oversee the Forum’s work in promoting true global citizenship. Its membership is divided equally between representatives of the business community and leaders from international organizations and civil society.
- Managing Board: acts as the executive body of the WEF & acts as its representative to outside parties.
- The organization also convenes some six to eight regional meetings each year in locations across Africa, East Asia, and Latin America, and holds two further annual meetings in China, India and the United Arab Emirates
- Until 2012, it had observer status with the United Nations Economic and Social Council; it is under the supervision of the Swiss Federal Council.

Summer annual meeting:

- In 2007, the foundation established the Annual Meeting of the New Champions (also called Summer Davos), held annually in China, alternating between Dalian and Tianjin, bringing together 1,500 participants from what the foundation calls Global Growth Companies, primarily from rapidly growing emerging countries such as China, India, Russia, Mexico, and Brazil, but also including quickly growing companies from developed countries.
- The meeting also engages with the next generation of global leaders from fast-growing regions and competitive cities, as well as technology pioneers from around the globe. The Chinese Premier has delivered a plenary address at each annual meeting.

New era of Globalization [the concept has been discussed in depth here]:

- Globalization 1.0 was pre-World War 1 globalization, which was launched by a historic drop in trade costs when steam and other forms of mechanical power made it economical to consume goods made faraway. This globalization came with almost no government support. There was no global governance and there was little domestic policy to help share the gains and pains of more intense international arbitrage in goods. Laissez-faire capitalism, imperialism and various forms of autocracy ruled this era mostly.
  - However, the two world wars, the Great Depression, and the rise of communism and fascism resulted in hundreds of millions of humans being killed by other humans. This led to the end of G-1.0.

Publications

- Global risk report, 2018
- Readiness for the future of production
- Global gender gap report
- Inclusive development index
- Global competitiveness report (index)
- Global human capital report (index)
- Travel and tourism competitiveness report (index)
- Global energy architecture performance index report

Globalisation 4.0

- Globalization refers to the integration of economies through the exchange of goods, people and ideas. It views the whole world as a ‘Global village’ or ‘World without trade borders’.
- Globalization 4.0 is the third unbundling, which would happen when digi-tech allows arbitrage of international wage differences without the physical movement of workers. Globalization 4.0 is going to hit the service sector. Hundreds of millions of service-sector and professional workers in advanced economies will, for the first time ever, be exposed to the challenges and opportunities of globalization 4.0.
• Globalization 2.0 is the post-World War II phase where trade in goods was combined with complementary domestic policies that helped share the pains and gains of globalization (and automation). The market was in charge of efficiency; the government was in charge of justice. Internationally, Globalization 2.0 saw the establishment of institute-based, rule-based international governance, specifically the UN, IMF, World Bank, GATT/WTO and many specialized agencies like the FAO and ILO.

• Globalization 3.0 is the second unbundling, or the New Globalization. Arvind Subramanian called it hyper-globalization, Gary Gereffi called it the global value chain revolution, and Alan Blinder called it offshoring. The key is that globalization now meant factories crossing borders, and – critically – the know-how of G7 firms along with them. This created a new world of manufacturing in which high-tech was combined with low wages.
  o This new combination disrupted the lives and communities of workers struggling to compete with high wages and high tech as well as those struggling to compete with low wages and low tech.
  o Workers employed in goods-producing sectors were the most affected, since this unbundling mostly affected goods-producing sectors. In particular, the monopoly that G7 factory workers had on G7 manufacturing technology was broken when their employers moved jobs and know-how abroad.

Globalization 4.0: As explained above, the G-4.0 will impact the service sector mostly. It is in parallel with the IR 4.0. The various disruptive technologies like Artificial Intelligence, Big Data, Internet of Things, Block-chain etc. will play key roles in this. Rather than shaping a parallel hegemonic structure, globalisation 4.0 intends to correct the flaws inherent in globalisation 3.0 that allowed the dominance and wealth superiority of the great economic powers to hinder the optimisation and evolution of the global governance structure.

Globalization 4.0 and fighting climate change:

• Climate change, arguably humanity’s most existential challenge, requires urgent global action. IPCC’s Special Report on the Impacts of Global warming at 1.5°C, published in October 2018, says we have just 12 years to act if dangerous climate change is to be avoided. With the rise in protectionism, rising national interest, G-4.0 is imperative to tackle the climate change with global efforts.
  o By building new forms of alliances within and between the private and public sectors. Example: The Alliance of CEO Climate Leaders: This group of CEOs, with collective company revenues of more than $1.5 trillion, have already reduced their collective emissions by 9% since 2015 and are committed to do more
  o By forging new clubs of like-minded governments, cities, states and provinces. Example: International Solar Alliance initiative which has about 120 countries
  o By building new leadership platforms for policy experimentation and public-private action, each targeted to suit different industrial, national and regional agendas.
  o With the rapid technological advances of the IR 4.0, we will also be able to harness new means of monitoring, verifying and reporting the progress (or lack thereof) of global, regional and industry actions on climate.
  o This will also lead to radical new forms of distributed information transparency and real-time disclosures. Example: Internet of Things to capture and transmit data at real-time in highly polluted areas in cities.
  o Increased transparency will boost awareness and simply heighten the pressure to act.

Growing use of Technology in global value chain:

• The digital space and the evolution of AI and its interplay with human capabilities is one of the key concern which this summit is going to take on. As per new research, technologies such as digital manufacturing and robots could result in job losses in the region. Tech advances along these value chains are associated with decrease in employment in both routine, non-routine occupations. The present industrial revolution (IR 4.0) seeks to disrupt the existing processes and enhance them with programmable logic. Even in the white paper it is said that technology disrupts trade more than tariff and even the same is explained above.

• Robots and automated systems have made inroads into organizations where tasks may have been dangerous, impossible or just plain mundane for humans. Market sentiments suggest that the job market does not stay static but changes constantly with innovation in technologies.
Impact of technological advances in India:

- Automation threatens 69 per cent of the jobs in India, while 77 per cent in China, according to a World Bank research which has said that technology could fundamentally disrupt the pattern of traditional economic path in developing countries.
- There is no clearly stated policy document or vision statement for AI development.
- The negative effects of technological change exceed the favourable effects of task relocation, thus hurting overall employment.
- New technologies like AI and Robotics improve the functional efficiency drastically than manual methods. Thus large industries will increasingly shift towards the automation in the quest of higher productivity.
- Textile workers in developing countries, who are an important example of how labour-intensive countries contribute to the global value chain, are now being replaced by robots in advanced countries.
- Asian Development Bank study also shows that in eight of the 12 developing Asian economies studied, there has been a change in the nature of jobs because of technology.
- In countries such as India, Indonesia, and China, non-routine jobs, which require more skill, have grown faster in comparison to routine jobs.
- Many tasks undertaken (manually) by humans about 20-30 years ago are no longer relevant.
- Manual tasks would become increasingly automated for business efficiencies and scale.
- Information technology (IT), IT-enabled services (ITeS) and security services, followed by banking, will be the first sectors to feel the heat, wherein manual transactions and processing jobs will become obsolete. Huge numbers of services jobs in these sectors will be made redundant as a few lines of code will be able to perform the same tasks efficiently and effectively.

Way Forward:

- India has already started preparation in AI and should not miss this bus particularly.
- Skill upgradation and training to cater the need of the industries.
- Emphasize our startup culture
- Incentivizing and encouraging automation in sectors where it is critically necessary.
- Focusing on increasing the efficacy and efficiency of Micro, Small and Medium scale industries.
- Reorientation of trade taking place everywhere so India must reap the benefits of protectionism
- Play a major role in global scenario.
- New regulations must be put in place to clearly predict and address legal issues that will surround AI in the near future. The use and availability of the technology must also be revised and regulated in a way to prevent or minimize ill use.
- Government needs to be inept in creating new employment-generating sectors and reform existing ones at a time when machines are systematically cutting down the workforce requirements in the principal labour-generating triumvirate of manufacturing and services sectors.
- Policymakers should make AI a critical component of the prime minister’s flagship Make in India, Skill India, and Digital India programs
- Need to bring structural changes in employment-stagnated areas like Textile, cotton industries to increase employment opportunities in these areas.
- Government needs to bring more and more workers under formal economy so that they enjoy benefits of social security provided by government and companies.

Globalisation 4.0 should be more sustainable, reasonable and balanced version, led by innovation, inclusiveness, shared benefits and tolerance. Globalization 4.0 seeks to promote: practical, public-private arrangements to help governments find agile, collaborative solutions to pressing global problems in our more complex world, which is being rapidly transformed by the IR 4.0.

Source: https://www.youtube.com/watch?v=deTxH8cHkRA

5. POLITICAL PARTIES UNDER RTI

Introduction:

- The PIL was filed in the Supreme court arguing that political parties registered with Election Commission to be brought under RTI Act. The public interest litigation filed by Ashwini Kumar Upadhyay, a Bharatiya Janata
Party (BJP) leader, wants political parties registered under section 29A of Representation of People Act, 1951 to be declared as ‘public authority’ under the Right to Information Act, 2005, (RTI).

- It was also pled that all registered and recognized political parties should be directed to appoint public information officer and appellate authority within 4 weeks and make disclosures in letter and spirit of the RTI Act. In the event of non-compliance of provisions of RPA, RTI Act, Income Tax Act, Moral Code of Conduct and other election laws and rules, political parties shall be derecognized by the ECI.

**RTI Act:**

- The Act applies to all States and Union Territories of India except Jammu & Kashmir.
- Under the provisions of the Act, any citizen may request information from a “public authority” (a body of Government or “instrumentality of State”) which is required to reply expeditiously or within thirty days.
- The Act also requires every public authority to computerise their records for wide dissemination and to proactively certain categories of information so that the citizens need minimum recourse to request for information formally.
- The Act covers the whole of India except Jammu and Kashmir, where J&K Right to Information Act is in force.
- Private bodies are not within the Act’s ambit directly. In a decision of Sarbajit Roy versus Delhi Electricity Regulatory Commission, the Central Information Commission affirmed that privatised public utility companies continue to be within the RTI Act.
- The Central Information Commission (CIC) has also held that the political parties are public authorities and are answerable to citizens under the RTI Act.

**Exclusions:**

- Central Intelligence and Security agencies specified in the Second Schedule like IB, Directorate General of Income tax (Investigation), RAW, Central Bureau of Investigation (CBI), Directorate of Revenue Intelligence etc. are excluded from providing the information.
- Agencies specified by the State Governments through a Notification will also be excluded.
- The exclusion, however, is not absolute and these organizations have an obligation to provide information pertaining to allegations of corruption and human rights violations. Further, information relating to allegations of human rights violation could be given but only with the approval of the Central or State Information Commission.

**CIC:**

The Central Information Commission (CIC) is set up under the Right to Information Act and is the authorised body, established in 2005, under the Government of India.

- The Chief Information Commissioner heads the Central Information Commission, the body that hears appeals from information-seekers who have not been satisfied by the public authority, and also addresses major issues concerning the RTI Act.

The Chief Information Commissioner and Information Commissioners are appointed by the President on the recommendation of a committee consisting of—

- The Prime Minister, who shall be the Chairperson of the committee;
- The Leader of Opposition in the Lok Sabha; and
- A Union Cabinet Minister to be nominated by the Prime Minister.

**Who is Public Authority?**

As defined in Section 2 (h) “public authority” means any authority or body or institution of self Government established or constituted —

- a) By or under the constitution
  - b) By any other law made by Parliament
  - c) By any other law made by State Legislature
- d) By notification issued or order made by the appropriate Government, and includes any-
  - (i) body owned, controlled or substantially financed
  - (ii) non-Government organisation substantially financed, directly or indirectly by funds provided by the appropriate Government”
Arguments against bringing Political Parties under RTI:

- Political parties were not established by the constitution or an act of parliament and therefore should not be under the RTI.
- They are formed under Representation of People Act, which is not the same as being created by the parliament.
- Political parties are not public authorities as they are not set up under the Constitution or any law enacted by Parliament – they can’t be treated as an institution or establishment.
- If political parties come under the RTI it will affect their smooth internal functioning.
- Political rivals will start using RTI tool with malicious intent.
- There are already provisions in the Income Tax Act, 1961, and Representation of the People Act, 1951, which demand necessary transparency regarding financial aspects of political parties. These mechanisms ensure transparency in financial dealings of parties.
- Information about a political body is already in the public domain on the website of the Election Commission.

Arguments in favour of bringing Political Parties under RTI:

- Strategy regarding their functioning and all need not be disclosed to the public but financial matters should be available to the public because they are public institutions, they get money from public
- If political parties are kept out, it sets a precedent whereby other institutions can argue that they too be kept out of its purview because there are too many frivolous claims, too much paperwork, too many NGOs with suspect motivations and so on and so forth.
- Political parties in our country occupy a very central space in democracy. People don’t vote so much for individuals as they do for parties.
- Parties come out with great statements before elections. People vote on the basis of which party says what. Parties finally form the government. And the government’s policies are decided based on the ideologies of the political parties.
- In India, it is widely accepted notion that fountain head of the corruption is political funding.
- Almost all political parties have got very valuable plots allotted by the Government at prime places in New Delhi and in their respective capital cities.
- It is therefore, necessary to introduce internal democracy, financial transparency and accountability in the working of the political parties.
- to ensure less influence of industrial houses on policy making: Most of the parties have almost 75% of their income from unknown sources. Generally corporate and industrial houses give them funds to change policies, give illegal clearance and to hamper their competitor’s interest. It may also hamper people and national interest.
- Political parties enjoy a “stronghold” over their elected MPs and MLAs under Schedule 10 of the Constitution. The Schedule makes it compulsory for MPs and MLAs to abide by the directions of their parent parties.
- It would be within the average voter’s fundamental right to information to know the financial details of political parties.
- Under Section 29A of the Representation of the People Act, 1951 all political parties must affirm their allegiance to the Constitution of India and such allegiance is made compulsory for the purpose of registration under sub-section (7) of Section 29A. Therefore, political parties so registered must furnish information to the public under the right of information under Article 19(1) (a) of the Constitution of India, since right of information has been held to be a part of freedom of speech and expression under Article 19(1)(a).
- The Law Commission of India in its 170th Report on ‘Reform of the Electoral Laws’ in May 1999 had recommended transparency in the functioning of political parties.

Source: https://youtu.be/rxuc52olok4

6. CHABAHAR PORT AND US SANCTIONS

Introduction:

- The strategic Chabahar port project, being developed by India in Iran, is a separate exception and will not be impacted by US President Donald Trump’s decision not to renew exemptions that let eight countries including India to buy Iranian oil without facing tough American sanctions. The Chabahar port, considered a
gateway to golden opportunities for trade by India, Iran and Afghanistan with central Asian countries, is located in the Indian Ocean in the Sistan and Baluchistan province of Iran.

- The port, which is easily accessible from India’s western coast, is increasingly seen as a counter to Pakistan’s Gwadar Port which is being developed with Chinese investment. A US State Department spokesperson said that the operation of Chabahar Port is a separate exception. President Trump, in a move that could have implications on India’s energy security, on Monday decided not to grant sanctions exemptions to any oil customers of Iran, further squeezing Tehran’s top export commodity.

- The US move, seen as an escalation of the Trump administration’s “maximum pressure” on Iran, comes after it gave temporary 180-days waiver to eight countries, including India.

**Why exemptions are given to Chabahar Port?**

- **US accepting that this project is not a strategic interest to India or Iran alone but importantly it is strategically important for Afghanistan because Afghanistan is a landlocked country which depends on Pakistan for trade and Pakistan denies transit to Afghanistan for trade with India.**

- **Chabahar port opens up a permanent alternative route for trade with Afghanistan and Central Asia, given the hurdles in the direct route through Pakistan.**

- **The Chabahar port will also set up India’s road access to four cities in Afghanistan.**

- **It facilitates India’s role in Afghanistan’s development through infrastructure and education projects.**

- **It gives India’s bilateral ties with Iran, a major oil supplier and potential trade market for India, a big fillip.**

- **The Chabahar port will cut transport costs/time for Indian goods by a third.**

- **Chabahar port will reduce Afghanistan’s dependence on Karachi port and, hence, will translate to less Pakistani leverage over Kabul.**

- **Chabahar also provides a link to the planned International North-South Transport Corridor.**

- **This way it also loops in Russia and countries in Central Asia and Europe as beneficiaries.**

- **According to some estimates, the Chabahar route plus INSTC could boost trade to a total of US$ 170 billion from India to Eurasia.**

- **Chabahar is a rare example of a project in the region which is a win-win for all stakeholders.**

**Chabahar Port:**

- The Chabahar Agreement was signed in June 2015 and approved by Iran’s Guardian Council in November 2016. Chabahar is being seen as a gateway for trade by India, Iran and Afghanistan with Central Asian countries.

**Where is Chabahar port?**

- Iran’s Chabahar port is located on the **Gulf of Oman** and is the only oceanic port of the country. The port gives access to the energy-rich Persian Gulf nations’ southern coast.

**Why Chabahar port is crucial for India?**

- The first and foremost significance of the Chabahar port is the fact that **India can bypass Pakistan in transporting goods to Afghanistan.** Chabahar port will boost India’s access to Iran, the key gateway to the International North-South Transport Corridor that has sea, rail and road routes between India, Russia, Iran, Europe and Central Asia.

- **Chabahar port will be beneficial to India in countering Chinese presence in the Arabian Sea** which China is trying to ensure by helping Pakistan develop the Gwadar port. Gwadar port is less than 400 km from Chabahar by road and 100 km by sea.

- **With Chabahar port being developed and operated by India, Iran also becomes a military ally to India.** Chabahar could be used in case China decides to flex its navy muscles by stationing ships in Gwadar port to reckon its upper hand in the Indian Ocean, Persian Gulf and Middle East.

- **With Chabahar port becoming functional, there will be a significant boost in the import of iron ore, sugar and rice to India.** The import cost of oil to India will also see a considerable decline. India has already increased its crude purchase from Iran since the West imposed ban on Iran was lifted.

- **Chabahar port will ensure in the establishment of a politically sustainable connectivity between India and Afghanistan.** This will in turn, lead to better economic ties between the two countries.

- **From a diplomatic perspective, Chabahar port could be used as a point from where humanitarian operations could be coordinated.**

**Benefits of imports from Iran to India:**

- No supply of oil from Iran would mean sourcing the same from other countries which may not provide the same benefits as provided by Iran in the form of price and credit facility.

- The alternate suppliers such as Saudi Arabia, Kuwait, Iraq and the US do not offer benefits like 60-day credit, free insurance and shipping as Iran does.

- Our refineries are geared to handle Iranian oil.
With Chabahar, India has done well to keep a place in the intricate connectivity network of the region. Given all the competing interests over Chabahar, it will require sustained and nuanced diplomacy to stay ahead in this game.

Source: https://www.youtube.com/watch?v=4S_cmcQivQE

7. VENEZUELA CRISIS

Introduction:
- A woman was shot dead and dozens injured in the Venezuelan capital Caracas, in clashes between opposition supporters and pro-government forces. Tear gas and water cannon were fired by the military amid rival demonstrations. Opposition leader Juan Guaidó called for a series of strikes to force President Nicolás Maduro to relinquish power. He urged public employees to act, saying the stoppages would lead to a general strike. Guaidó in January declared himself Venezuela’s interim leader, and he has been recognised by more than 50 countries including the US, UK and most Latin America nations.
- But Maduro — who is backed by Russia, China and the leaders of Venezuela’s military — has refused to cede power. Meanwhile, Secretary of State Mike Pompeo said that U.S. military action “is possible” in Venezuela to bolster Guaido’s bid to oust President Maduro. “The president has been crystal clear and incredibly consistent – military action is possible. If that’s what’s required, that’s what the United States will do,” Pompeo told a news channel in the US.

What is the Venezuela crisis?
- Hyperinflation is the biggest problem faced by Venezuela. The inflation rate there is expected to reach a stunning this year, putting it on par with the crises of Zimbabwe in the 2000s and Germany in the 1920s, according to the International Monetary Fund. The government claims that the country is the victim of an “economic war” and that the major issues are due to opposition “plots” and American sanctions.

What caused this increase?
- The plummeting oil prices since 2014 is one of the main reasons why Venezuela’s currency has weakened sharply. The country, which has rich oil reserves largely depended on it for its revenue. But when the oil price dropped drastically in 2014, Venezuela which received 96 per cent of its revenue from the oil exports, suffered a shortage of foreign currency. This made import of basic essentials like food and medicines difficult.

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

Why is the presidency disputed?
- Nicolás Maduro was first elected in April 2013 after the death of his socialist mentor and predecessor in office, Hugo Chávez. At the time, he won by a thin margin of 1.6 percentage points.
During his first term in office, the economy went into freefall and many Venezuelans blame him and his socialist government for the country’s decline.

Mr Maduro was re-elected to a second six-year term in highly controversial elections in May 2018, which most opposition parties boycotted.

Many opposition candidates had been barred from running while others had been jailed or had fled the country for fear of being imprisoned and the opposition parties argued that the poll would be neither free nor fair.

Mr Maduro’s re-election was not recognised by Venezuela’s opposition-controlled National Assembly.

Why is it all coming to a head now?

After being re-elected, Mr Maduro announced he would serve out his remaining first term and only then be sworn in for a second term.

The opposition argues Nicolás Maduro is clinging on to power through fraudulent elections

It was following his swearing-in ceremony that the opposition to his government was given a fresh boost. The National Assembly argues that because the election was not fair, Mr Maduro is a “usurper” and the presidency is vacant.

This is a line that is being pushed in particular by the new president of the National Assembly, 35-year-old Juan Guaidó.

What has the reaction been?

More than 50 countries have recognised Mr Guaidó as the legitimate president, among them the US and many nations in Latin America.

But Russia and China among others have stood by President Maduro.

Impacts:

- Situation is extremely fluid
- Increase in the prices of imported goods.
- Hyperinflation is 60,000 percent
- The prices of goods double every few days.
- The economy is shambles today and people face shortages of food, medicine and other commodities.
- 3 million people have left Venezuela and there are millions on the streets who are protesting.
- Venezuela is a classic example of a failed petrostate.
- It is suffering from Dutch disease phenomenon.

Venezuela’s imports are down from a year ago. Venezuela’s minimum wage is now about the equivalent of $1 a month, making basics unaffordable for many. With a shortage of the import goods, the black market has got a free hand in the country. Prices have been doubling every 26 days on average.

A survey found that almost 90% of Venezuelans live in poverty and more than 60% surveyed said that they had woken up hungry because they did not have enough money to buy food, reported Reuters. Apart from food, the country is also facing medicine shortage. The economic crisis has also hit the public health system, making medicine and equipment inaccessible to its people.

As the country slips into poverty, many are turning towards crime to make money. A recent Gallup study placed Venezuela at the bottom of its 2018 Law and Order index, with 42 per cent of surveyed Venezuelans reporting they had been robbed the previous year and one-quarter saying they had been assaulted.

Mass migration: Angered by the economic crisis in the country, many Venezuelans have started leaving the country. The pace of departures has accelerated in recent days, sparking a warning from the UN. The majority have crossed into neighbouring Colombia and then to Ecuador, Peru and Chile. Others have gone south to Brazil.

Way Forward:

- Foreign actors and major players would have to step in and play a major role.
- The international community cannot remain a bystander- this is because Venezuela is too large an oil economy.
- The International community should focus in building Venezuela’s institutions- for example, the judiciary in Venezuela is in a state of shambles; its parliamentary institutions are suffering.
- Humanitarian assistance.
8. THE 5G DEBATE

Introduction:

- The debate about Huawei’s role in the 5G network rollout in India continues. This comes at a time when the government has made its intentions clear to start with the 5G trials soon. A leading newspaper reported that a high-level committee on 5G is opposed to including Chinese vendors including Huawei in the 5G trials. There is a persistent fear that equipment being sold by Chinese vendors includes a backdoor which can allow the Chinese government to access data from 5G networks.
- Principal scientific adviser K Vijay Raghavan, who heads a high-level committee on 5G, believes India should “go for trials immediately with all, except for Chinese vendors”. The committee includes officials from the Intelligence Bureau, ministry of external affairs, home ministry, telecom and IT ministry and the department of science & technology.
- This report comes just days after the US president Donald Trump lifted the trade ban on Huawei, and has asked US based companies to continue working with Huawei. In India, Huawei still doesn’t have the permissions for the 5G trials, and getting these will be crucial. The company has already made repeated assurances that it does not share any data with any entity.
- The summary is limited considering exam demands.

Various field Applications of 5G Network:

- One of the primary applications of 5G will be implementation of sensor-embedded network that will allow real time relay of information across fields such as manufacturing, consumer durables and agriculture.
- 5G can also help make transport infrastructure more efficient by making it smart. 5G will enable vehicle-to-vehicle and vehicle-to-infrastructure communication, making driverless cars, among other things, a reality.
- Low latency is one of the most important features of 5G technology which is significant for mission critical applications. 5G networks are capable of latency less than a millisecond.
- 5G will be using new radio millimetre waves for transmission. It has much higher bandwidth compared to lower LTE bands and capable of huge data rate.
- 5G is the most efficient candidate for Internet of Things due to its flexibility, unused spectrum availability and low-cost solutions for deployment.
- IoT applications will collects huge amount of data from millions of devices and sensors. It requires an efficient network for data collection, processing, transmission, control and real-time analytics.
- Healthcare industry has to integrate all the operation with use of a powerful network.
- 5G will power healthcare industry with smart medical devices, Internet of medical things, smart analytics, and high definition medical imaging technologies.

What is 5G?

- It is the next generation cellular technology that will provide faster and more reliable communication with ultra-low latency.
- Latency is the amount of time data takes to travel between its source and destination.
- A government panel report points out that with 5G, the peak network data speeds are expected to be in the range of 2-20 Gigabit per second (Gbps).
- This is in contrast to 4G link speeds in averaging 6-7 Megabit per second (Mbps) in India as compared to 25 Mbps in advanced countries.

5G Benefits:

- It will revolutionize the mobile experience, consumers will be able to download data heavy content such as 8K movies and games with better graphics in just a few seconds. But once 5G becomes commercial, users will be required to change their current devices in favour of 5G-enabled ones.
- However, it is likely that the primary use of the technology will go beyond delivery of services on personal mobiles devices.
- A government panel on 5G says the technology will extend the use of wireless technologies for the first time across completely new sectors of the economy from industrial to commercial, educational, health care, agricultural, financial and social sectors.
- The report also stresses that even after the entry of 5G into the Indian networks, the earlier generation mobile technologies (2G, 3G and 4G) will continue to remain in use and that it may take 10 or more years to phase them out.
Challenges present to adapt to 5G are:

- **Frequency allocation**: Indian operators have **far less spectrum** in comparison to international operators. The **high investment cost** which makes telecom companies unsure about Return on Investment.
- **Network investment**: In India, the telecom sector is **facing capital augmentation issues** which need to be resolved.
- **Non-availability of funds for investment**: Many of the Indian operators are also **weighed down by debt**.
- **Regulatory restrictions**: Faster rounds of new technology introduction when prior technology investments have not been recouped add further complexity.
- **Technical Challenges**: Designing IT architecture that can be deployed globally, while still allowing for localized technology to cater for different regions is a challenge.

**Way forward for India:**

- Need to align Digital India with 5G technology.
- Strengthen our cyber infrastructure.
- Incentivize design and manufacture of 5G technologies, products and solutions in India.
- Allocate funds and incentivise local technology and telecom firms to develop their internal capacities which would in turn help 5G technology succeed in the country.
- Promote 5G start-ups that enable this design and manufacturing capabilities.
- Promote generation of IPR backing the above designs.
- Manufacture of 5G chipsets, this may require massive investments.
- Appropriate test-beds and technology platforms to enable and help Indian technical ecosystem to have an edge in 5G.
- Accelerated deployment of next generation ubiquitous ultra-high broadband infrastructure with 100% coverage of 10 Gbps across urban India and 1 Gbps across Rural India.
- Coverage, reliability, and scalability must be optimized and seamless mobile networks will require a unified management policy to ensure consistent standards.

source: [https://www.youtube.com/watch?v=az1mTfemr9U](https://www.youtube.com/watch?v=az1mTfemr9U)

9. **CODE ON WAGES BILL**

**Introduction:**

- The Union Cabinet approved the introduction of a bill that will codify relevant provisions of four existing laws and intends to increase the legislative protection of **minimum wage to the entire workforce**. Media reports suggested the Codes on Wages Bill, 2019 will be introduced in the ongoing Budget Session of parliament and would **benefit about 50 crore workers**.
- According to media reports, the codification proposes to simplify 32 central labour laws into four codes to bring them in sync with the emerging economic situation, facilitate easier compliance by establishments, promote ease of living and ensure labour welfare and wage and social security for workers.

**Background:**

- The code on wages is **one of the four codes that would subsume 44 labour laws** with certain certain amendments to improve the ease of doing business and attract investment for spurring growth.
- **The four codes will deal with wages, social security, industrial safety and welfare, and industrial relations.**

**What are the determining factors?**

- As per the Bill, **minimum wages will be linked only to factors such as skills and geographical regions.**
- **Present status**: At present, minimum wages are fixed on the basis of categories such as skilled, unskilled, semi-skilled, high skilled, geographical regions, and nature of work such as mining and are applicable for 45 scheduled employments in the central sphere and 1709 scheduled employments in states.
As per the new Bill, the minimum wages across the country would be only linked to factors of skills and geographical regions, while the rest of the factors have been removed.

A National Floor Level Minimum Wage will be set by the Centre to be revised every five years, while states will fix minimum wages for their regions, which cannot be lower than the floor wage.

The current floor wage, which was fixed in 2017, is at Rs 176 a day, but some states have minimum wages lower than it such as Andhra Pradesh (Rs 69) and Telangana (Rs 69).

Significance:

- Codification of labour laws will remove the multiplicity of definitions and authorities, leading to ease of compliance without compromising wage security and social security to workers.
  - Uniformity of coverage:-
    - The new Code on Wages will ensure minimum wages to all and timely payment to employees irrespective of the sector without any wage ceiling.
    - It is expected to treat contract labour on par with regular employee to have dignified life.
- It is expected to provide for an appellate authority between the claim authority and the judicial forum which will lead to speedy, cheaper and efficient redressal of grievances and settlement of claims as that of earlier.
- Reduction of unemployment:-
  - For instance, “Seattle’s Minimum Wage Experience 2015-16”, a 2017 study by researchers at the University of California Berkely, found that since the city raised its minimum wage in 2015, unemployment dropped from 4.3% to 3.3%
- The bill is expected to benefit over 50 crores employees across the country.
- The bill is expected to go for digital mode/cheques as the mode of payment of wages. This would promote digitization and extend wage and social security to the worker.
- It also provides for rationalisation of penalties for different types of violations
- Will ensure decent Minimum wage for all which will result into increase in disposable incomes in turn help in eradicating poverty, hunger to achieve SDGs.
- Multiplicity of definitions will be removed through this change.
- The wage conditions of unskilled workers will improve.
- It Will ensure humane working conditions through minimum working hours, overtime etc. and prevent exploitation of labour.
- Can lead to formalisation of economy.
- The Code prohibits gender discrimination on wage-related matters.
- Also help in reduce regionalism by reducing wage disparity across different regions.

Key Issues and Analysis:

1. Central government may set a national minimum wage. Further, it may set separate national minimum wages for different states or regions. In this context, two questions arise: (i) the rationale for a national minimum wage, and (ii) whether the central government should set one or multiple national minimum wages.
2. States have to ensure that minimum wages set by them are not lower than the national minimum wage. If existing minimum wages set by states are higher than the national minimum wage, they cannot reduce the minimum wages. This may affect the ability of states to reduce their minimum wages if the national minimum wage is lowered.
3. The time period for revising minimum wages will be set at five years. Currently, state governments have flexibility in revising minimum wages, as long as it is not more than five years. It is unclear why this flexibility has been removed, and five years has been set for revision.
4. The Equal Remuneration Act, 1976, prohibits employers from discriminating in wage payments as well as recruitment of employees based on gender. While the Code prohibits gender discrimination on wage-related matters, it does not include provisions regarding discrimination during recruitment.

Need for a national minimum wage:

- One argument for a national minimum wage is to ensure a uniform standard of living across the country. At present, there are differences in minimum wages across states and regions.
- Such differences are attributed to the fact that both the central and state governments set, revise and enforce minimum wages for the employments covered by them.
• The introduction of a national minimum wage may help reduce these differences and provide a basic standard of living for all employees across the country.

Conclusion:
• Some of the issues like what would the states which already provide higher minimum wage than the proposed national minimum wage do, Time period for revising minimum wage is fixed at 5 years so there is no flexibility. If these are resolved the code would change the face of Indian economy.

source: [https://www.youtube.com/watch?v=LIgmqJ9xbE](https://www.youtube.com/watch?v=LIgmqJ9xbE)

10. CASHLESS ECONOMY

Introduction:
• In a bid to promote cashless transactions, the government on Friday said businesses with annual turnover of over Rs 50 crore can offer low-cost digital modes of payments and no charges or Merchant Discount Rate will be imposed on them or their customers.
• Presenting the Union Budget for 2019-20, Finance Minister Nirmala Sitharaman also said two per cent tax deducted at source will be levied on cash withdrawals exceeding Rs 1 crore in a year from a bank account to discourage the practice of making business payments in cash.
• The Finance Minister said the Reserve Bank of India and banks will absorb these costs from the savings that will accrue to them on account of handling less cash as people move to these digital modes of payment.
• Lately, digital transactions using mobile payment firms are on the rise. For instance, Unified Payments Interface transactions have grown to 754 million in June 2019. IMPS and NETC transactions stood at around 171 million and 26 million, respectively.
• The Centre is making a big push for online and card-based transactions in the country to achieve its target of becoming a largely cashless economy.

Why Shift towards a Cashless Economy?
• India is one of the highest cash to gross domestic product ratios in the world, and lubricating economic activity with paper has costs.
• According to a 2014 study by Tufts University, The Cost Of Cash In India, cash operations cost the Reserve Bank of India (RBI) and commercial banks about Rs21,000 crore annually.
• A shift away from cash will make it more difficult for tax evaders to hide their income, a substantial benefit in a country that is fiscally constraint.
• Nandan Nilekani, termed demonetisation as “a defining point in India moving to cashless”

Factors that determine transition to a cashless economy
• A meaningful transition will depend on a number of things such as awareness, technological developments and government intervention.
• Mobile wallets have seen notable traction, and it is possible that a large number of Indians will move straight from cash to mobile wallets.
• The availability and quality of telecom network will play an important role.

Cashless economy
• It can be defined as a situation in which the flow of cash within an economy is non-existent and all transactions have to be through electronic channels such as direct debit, credit and debit cards, electronic clearing, payment systems such as Immediate Payment Service (IMPS), National Electronic Funds Transfer and Real Time Gross Settlement in India.

Benefits of cashless economy:
• Increased efficiency in welfare programmes as money is wired directly into the accounts of recipients.
• Efficiency gains as transaction costs across the economy should also come down.
• Reducing use of cash would also strangulate the grey economy, prevent money laundering and even increase tax compliance, which will ultimately benefit the customers at large.
• Usage of cashless mechanisms would also ensure that loopholes in public systems get plugged, and the intended beneficiaries are able to avail the benefits due to them.

Benefits for individuals:
• No need for queues outside ATMs.
• No cashout during long holidays.
• No waiting for a deposited cheque to be credited.
• No risk of carrying currency notes in the wallet.
• Banks and related service providers will have to constantly invest in technology in order to improve security and ease of transaction.
• The government will have to find ways to incentivize cashless transactions and discourage cash payments.
• Government should revamp the tax administration, as more than taxes, small businesses fear tax inspectors.
• India’s current economic moment constitutes a crucial inflection point; if handled correctly, there is a real chance that the unbanked will adopt digital payments.
• A sharp increase in the use of mobile phones with internet connectivity will help drive the move to digital payments.
• Till the time the penetration for online payments doesn’t reach local stores, the transition will never be truly effective.
• Financial security over the digital payment channels is imperative for pushing the cashless economy idea

Hurdles in making India a cashless economy
• A large part of the population is still outside the banking net and not in a position to reduce its dependence on cash.
• Even for people with access to banking, the ability to use their debit or credit card is limited.
• It will not be easy for the informal sector to become cashless.
• There is a general preference for cash transactions in India.
• Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient.
• People face difficulties in making electronic payments even in metro cities because of poor network.
• Low literacy rates in rural areas along with lack of internet access or even basic utilities in many places.

Government and RBI Efforts
• Government on its part is working at various levels to reduce the dependence on cash.
• Opening bank accounts for the unbanked under Pradhan Mantri Jan-Dhan Yojana.
• Adoption of direct benefit transfer.
• The Unified Payments Interface by National Payments Corporation of India makes digital transactions as simple as sending a text message.
• From nothing to 754 million monthly transactions in less than three years, UPI has taken off.
• Implementation of the goods and services tax, for example, should encourage businesses to go cashless.
• The RBI and finance ministry have made Financial Literacy Centres (FLCs) a cornerstone of the PMJDY.
• These centres provide tailored financial education programmes to introduce adults to banking products and setting financial goals.
• Major social-media effort to promote cashless transactions, which include e-banking, debit and credit cards, card-swipe or point-of-sales (PoS) machines and digital wallets.
• RBI has also issued licences to open new-age small finance banks and payments banks which are expected to give a push to financial inclusion and bring innovative banking solutions.

Way Forward
• Targeted financial education programmes can improve financial skills and credit management.
• A nationwide financial literacy campaign accompanied by a medium-term strategy to improve access to, and awareness of, electronic payments.

India is ripe for a transition to digital payments. While a cashless economy is not here, the move towards a less-cash economy has begun. Recent expansion in digital wallet usage and the introduction of specialized payments banks are good moves in this direction. But, a lot needs to be done before cash is eased out of the Indian economy.

source: https://www.youtube.com/watch?v=RbNFChG7_dY
11. DISINVESTMENT FOR DEVELOPMENT

Introduction:

- The government will reinitiate the process of divesting its stake in national carrier Air India, even as it increased its disinvestment target in the Union Budget 2019-20 presented by Finance Minister Nirmala Sitharaman on Friday.

- The target for disinvestment receipts has increased to Rs 1.05 trillion for FY20, from Rs 90,000 crore in the interim Budget presented in February. Significantly, the finance minister said that the government’s stake in non-financial public sector units can go below the majority stake of 51 per cent. Instead of holding a direct stake of 51 per cent in PSUs, “government-controlled institutions” can chip in the remaining sum which the government will look to divest.

- This move will enable the government to retain control over such firms. The Finance Minister reiterated that the government will make sure that its control is not diluted after lowering its stake in public sector undertakings (PSUs) to below 51 per cent. The government will also continue with the strategic divestment of select Central Public Sector Enterprises (CPSEs).

- Ever since India opened up its economy to the world, the government has been distancing itself from industrial production. Years of monopoly across several industries led to Public Sector Undertakings (PSU) running inefficiently. Thus, the government began the process of divesting from loss-making and inefficiently-run PSUs in the 1990s.

What is Disinvestment?

- Disinvestment, or divestment, refers to the act of a business or government selling or liquidating an asset or subsidiary or the process of dilution of a government’s stake in a PSU (Public Sector Undertaking).

- The concept of disinvestment follows the dictum: The government has no business to be in business. Thus, the government continues to disinvest in sectors where private companies are already the dominant players.

Disinvestment policy in India- salient features of the Policy:

1. Public Sector Undertakings are the wealth of the Nation and to ensure this wealth rests in the hands of the people, promote public ownership of CPSEs
2. While pursuing disinvestment through minority stake sale in listed CPSEs, the Government will retain majority shareholding, i.e. at least 51 per cent of the shareholding and management control of the Public Sector Undertakings
3. Strategic disinvestment by way of sale of substantial portion of Government shareholding in identified CPSEs upto 50 per cent or more, along with transfer of management control.

❖ The 1991 New Economic Policy, presented by then finance minister Manmohan Singh pointed out several objectives for disinvestment. These objectives were as follows: Reducing the financial burden on the government, improving public finances, introducing competition and market discipline, funding growth, encouraging wider share of ownership, and depoliticising non-essential services.

❖ Disinvestment got a much-needed boost during the Atal Bihari Vajpayee regime, when Arun Shourie was appointed the minister for disinvestments. Some of the key disinvestments under the Vajpayee administration include the strategic sale of Videsh Sanchar Nigam Limited, Hindustan Zinc, Balco, IPCL, several Indian Tourism Development Corporation hotels and Modern Food Industries. The strategic sales during that period fetched government Rs 6,344 crore. Additionally, the government began disinvesting its stake in Maruti Udyog Ltd in 2002. The government exited the company completely by 2006.

❖ However, disinvestment slowed under the Manmohan Singh government. It seems to have picked pace under the current dispensation. In March, the Modi government claimed that it exceeded its disinvestment target for FY19

Disinvestment policy [as per recent budget]:

- A major source of additional revenue projected in the Budget is by having an active disinvestment policy. Disinvestment is expected to generate ₹1,05,000 crore, which is almost ₹15,000 crore higher than what was taken in the interim Budget.

- The Budget speech also speaks about an active disinvestment policy beginning with Air India.
Importance:

- Improving the structure of incentives and accountability of PSUs in India.
- Financing the increasing fiscal deficit.
- Financing large-scale infrastructure development, defense, education, healthcare etc.
- For investing in the economy to encourage spending.
- Brings about greater efficiencies for the economy and markets as a whole.
- Bring relief to consumers by way of more choices and better quality of products and services, e.g. Telecom sector.

Concerns:

- Process of disinvestment is not favoured socially as it is against the interest of socially disadvantageous people.
- Political pressure from left and opposition.
- Loss making units don’t attract investment so easily.
- Over the years, the policy of divestment has increasingly become a tool to raise resources to cover the fiscal deficit with little focus on market discipline or strategic objective.
- Sometimes the emergence of private monopolies, consumer welfare will be reduced.
- It is argued that mere change of ownership, from public to private, does not ensure higher efficiency and productivity.
- It may lead to retrenchment of workers who will be deprived of the means of their livelihood.
- Private sector, governed as they are by profit motive, has a tendency to use capital-intensive techniques which will worsen unemployment problem in India.
- Fiscal 2016-17 is the seventh year in a row where the government is not meeting the disinvestment target fixed in the Budget.

Way Forward:

- Define the priority sectors for the government based on its strategic interests.
- Investment in PSUs has to be in terms of generation of adequate social and strategic returns.
- The government ownership is required for sectors with strategic relevance such as defence, natural resources, etc. The government should, exit non-strategic sectors such as hotels, soaps, airlines, travel agencies and the manufacture and sale of alcohol.
- The government should look into strengthening the regulatory framework that ensures efficient market conditions.
- Instead of creating PSUs, the government should create regulations that would ease the entry of new players. The regulations should also ensure that the basic necessities of the consumers are met.
- Allowing both domestic and foreign buyers to bid freely for stakes.

Air India Disinvestment:

- The Budget speech also speaks about an active disinvestment policy beginning with Air India.
- Experts welcomed the government’s decision. Every year’s delay has only cost taxpayers and eroded its market value.
- The healthy growth of private airlines like Indigo has meant that a privatised Air India will operate in a competitive environment.
- To ensure that commercially unviable airports remain operational, the government can provide subsidy to any airline willing to service such airports, especially those of strategic importance.

It is time that divestment is not seen as an option to cover for short-term fiscal gains; instead, it should be part of a strategic plan to improve the production of goods and services in India.

source: https://www.youtube.com/watch?v=JTCVsyWV_AY
12. DNA TECHNOLOGY BILL

Introduction:

- The DNA Technology Regulation Bill, which seeks to control the use of DNA technology for establishing the identity of a person, was introduced in the Lok Sabha on Monday amid questions being raised by opposition parties on its provisions. A similar bill was passed in Lok Sabha in January but it could not be cleared in the Rajya Sabha. The bill had then lapsed with the dissolution of the previous Lok Sabha.
- The proposed law, which has been in the making since at least 2003, is the third attempt by the government to enact a law to regulate the use of DNA technology in the country after an earlier version of the Bill had been finalised in 2015 but could not be introduced in parliament. The congress was against the introduction of the bill, raising privacy and other concerns. The Minister for science and technology Dr. Harsh Vardhan, who introduced the Bill however rejected the concerns raised by the opposition saying there is "no serious substance".
- DNA Bill was first advanced by the Department of Biotechnology (DBT) in 2003 at the time of Atal Behari Vajpayee as Prime Minister. Also, four years later, a DNA Profiling Advisory Committee put together by DBT had drafted the Human DNA profiling Bill and series of changes took place till 2012. Then in January 2013, the government had created a committee to examine the 2012 draft. This draft finished in 2014 and circulated it within the Ministry of Science and Technology. In January 2015 it was further sent to the Legislative Department of the Ministry of Law and Justice.
- Forensic DNA profiling is of proven value in solving cases involving offences that are categorized as affecting the human body (such as murder, rape, human trafficking, or grievous hurt), and those against property (including theft, burglary, and dacoity).
- The aggregate incidence of such crimes in the country, as per the statistics of the National Crime Records Bureau (NCRB) for 2016, is in excess of 3 lakhs per year.
- Of these, only a very small proportion is being subjected to DNA testing at present. It is expected that the expanded use of this technology in these categories of cases would result not only in speedier justice delivery but also in increased conviction rates, which at present is only around 30% (NCRB Statistics for 2016).

Key Highlights of Proposed Bill

- **Purpose:**
  - It allows law enforcement agencies to collect DNA samples, create DNA profiles and special databanks for forensic-criminal investigations. It states that all DNA data, including DNA samples, DNA profiles and records, will be only used for identification of the person and not for any other purpose.
- **DNA profiling board:**
  - It creates DNA Profiling Board (DPB) that will be final authority that will authorise creation of State-level DNA databanks, approve the methods of collection and analysis of DNA-technologies. It makes accreditation and regulation mandatory for DNA laboratories.
- **DNA banks:**
  - It allows government to set up DNA data banks across India to store profiles. These banks will maintain national database for identification of victims, accused, suspects, undertrials, missing persons and unidentified human remains.
- **Penalty:**
  - It also empowers government to impose jail term of up to 3 years and fine of up to Rs. 1 lakh on those who leak information stored in such facilities. It prescribes similar punishment for those who seek information on DNA profiles illegally.
- **Use of DNA Data:**
  - Under the Bill, DNA testing is allowed only in respect of matters listed in the schedule to the Bill (such as, for offences under the Indian Penal Code, 1860, for paternity suits, or to identify abandoned children).
• DNA Data Bank:
  o The Bill provides for the establishment of a National DNA Data Bank and regional DNA Data Banks, for every state, or two or more states.
  o The National Data Bank will store DNA profiles received from DNA laboratories and receive DNA data from the regional Banks.
  o Every Data Bank will be required to maintain indices for the following categories of data: (i) a crime scene index, (ii) a suspects’ or undertrials’ index, (iii) an offenders’ index, (iv) a missing persons’ index, and (v) an unknown deceased persons’ index.

• Protection of information:
  o It also ensures that the data remain protected from misuse or abuse in terms of the privacy rights of citizens.
  o Under the Bill, the Board is required to ensure that all information relating to DNA profiles with the Data Banks, laboratories and other persons are kept confidential. DNA data may only be used for identification of the person.
  o However, the Bill allows for access to information in the Data Bank for the purpose of a one-time keyboard search. This search allows for information from a DNA sample to be compared with information in the index without information from the sample being included in the index.

• Retention of DNA Data:
  o The Bill states that the criteria for entry, retention or removal of the DNA profile will be specified by regulations.
  o However, the Bill provides for removal of the DNA Data of the following persons: (i) of a suspect if a police report is filed or court order given, (ii) of an undertrial if a court order is given, (iii) on request, of persons who are not a suspect, offender or undertrial from the crime scene or missing persons’ index.
  o Further, the Bill provides that information contained in the crime scene index will be retained.

• DNA Laboratories:
  o Any laboratory undertaking DNA testing is required to obtain accreditation from the Board. The Board may revoke the accreditation for reasons including, failure to: (i) undertake DNA testing, or (ii) comply with the conditions attached to the accreditation. If the accreditation is revoked, an appeal will lie before the central government or any other authority notified by the central government.

• Obligations of DNA Laboratories:
  o Under the Bill, every DNA laboratory is required to perform various functions, including: (i) following standards for quality assurance in collection, storing, testing, and analysis of DNA samples, and (ii) depositing DNA samples with the Data Bank.
  o After depositing the sample for ongoing cases, the Laboratory is required to return the biological sample to the investigating officer. In all other cases, the sample must be destroyed and intimated to the concerned persons.

Benefits of the Bill:
• By providing for the mandatory accreditation and regulation of DNA laboratories, the Bill seeks to ensure that with the proposed expanded use of this technology in the country.
• There is also the assurance that the DNA test results are reliable and the data remain protected from misuse or abuse in terms of the privacy rights of our citizens.

DNA technology- significance and concerns:
DNA analysis is an extremely useful and accurate technology in ascertaining the identity of a person from his/her DNA sample, or establishing biological relationships between individuals.
• A hair sample, or even bloodstains from clothes, from a scene of crime, for example, can be matched with that of a suspect, and it can, in most cases, be conclusively established whether the DNA in the sample belongs to the suspected individual. As a result, DNA technology is being increasingly relied upon in investigations of crime, identification of unidentified bodies, or in determining parentage.
• But information from DNA samples can reveal not just how a person looks, or what their eye colour or skin colour is, but also more intrusive information like their allergies, or susceptibility to diseases. As a result, there is a greater risk of information from DNA analysis getting misused.
It is expected that the expanded use of DNA technology would result not only in speedier justice delivery but also in increased conviction rates, which at present is only around 30% (NCRB Statistics for 2016).

Challenges with the bill:

- The draft statute, not only disregards the serious ethical dilemmas that are attached to the creation of a national DNA database, but also, contrary to established wisdom, virtually treats DNA as infallible, and as a solution to the many problems that ail the criminal justice system.
- This Bill fatally ignores the disproportionalinity of the DNA bank that it seeks to create, and the invasiveness of its purport and reach.
- It also conflates its objectives by allowing the collection of DNA evidence not only in aid of criminal investigations but also to aid the determination of civil disputes.
- Importantly, while consent is not required before bodily substances are drawn from a person accused and arrested for an offence punishable with either death or imprisonment for a term exceeding seven years, in all other cases a person refusing to part with genetic material can be compelled to do so if a Magistrate has reasonable cause to believe that such evidence would help establish a person’s guilt. Therefore, there’s no end to the state’s power in coercing a person to part with her DNA.
- In Justice K.S. Puttaswamy (Retd) v. Union of India declared that the Constitution recognizes a fundamental Right to Privacy. But, it is unclear whether the proposed bill is compatible with the Right to Privacy or not.
- The Bill’s failure to place sufficient checks on the use of DNA evidence collected in breach of the law makes the process altogether more frightening.
- The Schedule lists civil matters where DNA profiling can be used. This includes “issues relating to the establishment of individual identity.” DNA testing carried out in medical or research laboratories can be used to identify an individual. It is unclear if the Bill intends to regulate such laboratories.
- The Bill requires the consent of the individual when DNA profiling is used in criminal investigations and identifying missing persons. However, consent requirements have not been specified in the case of DNA profiling for civil matters.
- DNA laboratories are required to share DNA data with the Data Banks. It is unclear whether DNA profiles for civil matters will also be stored in the Data Banks. Storage of these profiles in the Data Banks may violate the right to privacy.
- DNA laboratories prepare DNA profiles and then share them with DNA Data Banks. The Bill specifies the process by which DNA profiles may be removed from the Data Banks. However, the Bill does not require DNA laboratories to remove DNA profiles. It may be argued that such provisions be included in the Bill and not left to regulations.

Way Forward:

- DNA profiling should be undertaken exclusively for the identification of a person and should not be used to extract any other information.
- The state must show that there exists a legitimate reason for extracting DNA evidence and that the extent and scope of such extraction do not disproportionately contravene a person’s right to privacy.
- To enact the law in its present form would only add a new, menacing weapon to the state’s rapidly expanding surveillance mechanism. The government should not allow the benefits of science and technology to be privileged over the grave risks in allowing the unrestricted access to deeply personal material.
- Maintenance of strict confidentiality with regard to the keeping of records of DNA profiles and their use should be considered a priority.

source: [https://www.youtube.com/watch?v=K3TN80V73xY](https://www.youtube.com/watch?v=K3TN80V73xY)

13. EDUCATION AGENDA FOR NEW INDIA

Introduction:

- There is a dire need for revolutionary changes in the India’s education system, there is no doubt about that. The cut-offs at some of the top universities is over 99% if not 100%. Students are pushed to the brink to try and further their educational ambitions. Several aspects need to be addressed if we have to achieve the desired results and head in the right direction. India has one of the youngest populations in an aging world.
• By 2020, the median age in India will be just 28, compared to 37 in China and the US, 45 in Western Europe, and 49 in Japan. But for us to reap the benefit of this demographic dividend we need to ensure that we see an overhaul in our education system.

• Our Indian Education system needs **serious reforms and changes**. India needs reforms from **elementary itself**. The ideal choice of learning is **memorizing facts**. Here to judge the student’s talent has only one factor i.e. percentage in board examination. So, students just mug up and undeniably Indian education is **spoon feeding**.

• There is **no hands-on knowledge** in our Education system. Our Education system mainly **emphasizes on theoretical knowledge**. Some basic theoretical knowledge is required however our Education system focuses more on the theoretical knowledge.

**Indian Education system:**

• The **Indian education and social arrangements** are very inflexible on kids and completely ignore their feelings, thoughts and ambitions. Kids are pressed to study from the age of 3. Non-performers are treated as dunces and detested by parents and society.

• As per UNESCO data, India has one of the **lowest public expenditure rates on education per student**, especially compared to other Asian countries like China.

• Education in most schools is **one dimensional**, with an **obsessive focus on marks**. Added to this is the lack of availability of trained teachers at all levels. **Quality teachers are the missing link** in the Indian education system. Although pockets of excellence exist, the quality of teaching, especially in government schools, does not meet the standards.

• With a **literacy rate of 77 percent**, India lags behind other BRICS nations, which have literacy rates above 90 percent. All these countries have better student-teacher ratios. So not only does India grapple with poor quality teachers, it also has fewer total teachers in comparison with other countries that do a better job at education.

Data from the **Ministry of Human Resource Development** show that only half of all students who enter primary school make it to the upper primary level and less than half that get into the 9-12 class cycle.

• **Only 58 percent** of children enrolled in classes three to five could read a class one text.

• **Less than half (47 percent)** were able to do simple two-digit subtraction.

• **Only half of the children** in classes five to eight could use a calendar.

• They were not found proficient in **even basic skills**; about two-thirds of the students in class four could not master the measurement of the length of the pencil with a ruler.

Study after study has shown that the true indicator of economic development in a country is the **education and wellbeing of its people**. Although, India has made rapid economic progress over the last three decades, one area that has not received enough attention is the quality of primary education.

**Challenges:**

• To encourage youngsters and graduates to come into the teaching profession is the biggest challenge of this government.

• Secondly, the issue is about increasing privatization, of not just school education but cutting across education sectors- primary, secondary as well as higher education.

• The Delhi government has set a very good example by investing very heavily in public education, and government schools are turning around.

• Major problem with the education sector lies with the higher education sector as we see the higher education structure in the country today, we are producing degree holders after degree holders.

• There appears to be an absolute emphasis on graduates who have degrees, that will not make them employable.

• The crisis in India is that a lot of graduates are getting produced, who are then either unable or are not skilled enough to enter the workforce.

• Thus, the primary challenge for India’s higher education sector is the skilling issue.

• Attempts have been made in the past of building vocational skills at the schooling level itself, but unfortunately, such plans have not worked out.

• The National Skills Development Council had setup for the first time various sector-skill councils.

• These sector-skill councils will offer short-term courses to graduates who are not interested in traditional education.
Lack of good secondary and higher secondary schools: The number of secondary schools is less than 150,000 for a country of 1.3 billion, and even this comes down to just 100,000 at the higher secondary level. While there are around five million primary school teachers, at the secondary level the number is just 1.5 million. India has persisted with a schooling system that has long failed its young.

The inevitable shift to private school education along with the Right to Education Act represents a failure of the public-school system.

**Education agenda for a New and Changing India:**

- The Delhi government model of education needs to be looked into.
- Technology has to be a primary part of the process. Technology allows us to adapt to teaching and assessment of entirely new skills that are very significant for the present century and that you cannot progress in a kind of traditional setting.
- This necessitates refined public policy, a long-term commitment, and a systematic approach.
- Our education must be all round developer. It must be based on creative rather than memorizing. Practical or Visualize education must be promoted.
- It is time that India began viewing school education as a critical strategic investment and gave it the status of a vital infrastructure project. As all in-country efforts have failed, we should go in for a radical overhaul of our educational infrastructure with the help of countries that have an amazing record in providing quality school education — Finland, for instance. We can surely afford to pay for that.
- Providing universal quality education depends not on the performance of teachers alone but is the shared responsibility of several stakeholders: governments, schools, teachers, parents, the media and civil society, international organisations, and the private sector.
- A complete paradigm shift is needed as far as our education system is concerned. However, one has reason to believe that there are some positive signs too. For example, in schools itself, we are talking about Programme for International Students Assessment (PISA)- these are definitely encouraging signs.
- Skilling has to improve across higher education sectors and it has to be diverse. Let’s not forget that only about 5% of the Indian workforce is trained in any sort of skills today; we are staring in the face of a demographic disaster if skill development is not undertaken.

**Way Forward:**

- A complete paradigm shift is needed as far as our education system is concerned. However, one has reason to believe that there are some positive signs too. For example, in schools itself, we are talking about Programme for International Students Assessment (PISA)- these are definitely encouraging signs.
- Skilling has to improve across higher education sectors and it has to be diverse. Let’s not forget that only about 5% of the Indian workforce is trained in any sort of skills today; we are staring in the face of a demographic disaster if skill development is not undertaken.

**Conclusion:**

- Our education must be all round developer. It must be based on creative rather than memorizing. Practical or Visualize education must be promoted.
- It is time that India began viewing school education as a critical strategic investment and gave it the status of a vital infrastructure project. As all in-country efforts have failed, we should go in for a radical overhaul of our educational infrastructure with the help of countries that have an amazing record in providing quality school education — Finland, for instance. We can surely afford to pay for that.
- Providing universal quality education depends not on the performance of teachers alone but is the shared responsibility of several stakeholders: governments, schools, teachers, parents, the media and civil society, international organisations, and the private sector.
- If only India had begun revamping school education at the start of economic liberalisation, it would by now have had the world’s largest pool of well-educated and highly trained workers. Fortunately, India continues to have the largest number of young people anywhere. By ensuring they get a world-class education over the next few decades, India will be well on its way towards becoming a developed nation sooner than expected.

Thus, access, equity, and quality, this is one aspect of education. The second aspect of education is skill development. Thus, skill development, access, equity and quality, these pillars are equally needed in all the three sectors.
14. RTI AND COLLEGIUM

Introduction:
- One of the landmark legislations of the country which actually transformed the nature of governance in the country and brought in transparency and accountability is the Right to Information Act passed in 2005. This Act mandates timely response to the request of citizens for government information. However, there are still certain areas where RTI should be applicable or not is a matter of debate one of them being higher judiciary.

What is the Collegium System?
- The Collegium System is a system under which appointments/elevation of judges/lawyers to Supreme Court and transfers of judges of High Courts and Apex Court are decided by a forum of the Chief Justice of India and the four senior-most judges of the Supreme Court. There is no mention of the Collegium either in the original Constitution of India or in successive amendments.
- The recommendations of the Collegium are binding on the Central Government; if the Collegium sends the names of the judges/lawyers to the government for the second time.

How Collegium System Works?
- The Collegium sends the recommendations of the names of lawyers or judges to the Central Government. Similarly, the Central Government also sends some of its proposed names to the Collegium. The Central Government does the fact checking and investigate the names and resends the file to the Collegium.
- Collegium considers the names or suggestions made by the Central Government and resends the file to the government for final approval. If the Collegium resends the same name again then the government has to give its assent to the names. But time limit is not fixed to reply. This is the reason that appointment of judges takes a long time.

RTI Act:
- The Act applies to all States and Union Territories of India except Jammu & Kashmir.
- Under the provisions of the Act, any citizen may request information from a “public authority” (a body of Government or “instrumentality of State”) which is required to reply expeditiously or within thirty days.
- The Act also requires every public authority to computerise their records for wide dissemination and to proactively certain categories of information so that the citizens need minimum recourse to request for information formally.
- The Act covers the whole of India except Jammu and Kashmir, where J&K Right to Information Act is in force.
- Private bodies are not within the Act’s ambit directly. In a decision of Sarbajit Roy versus Delhi Electricity Regulatory Commission, the Central Information Commission affirmed that privatised public utility companies continue to be within the RTI Act.
- The Central Information Commission (CIC) has also held that the political parties are public authorities and are answerable to citizens under the RTI Act.

Exclusions:
- Central Intelligence and Security agencies specified in the Second Schedule like IB, Directorate General of Income tax (Investigation), RAW, Central Bureau of Investigation (CBI), Directorate of Revenue Intelligence etc. are excluded from providing the information.
- Agencies specified by the State Governments through a Notification will also be excluded.
- The exclusion, however, is not absolute and these organizations have an obligation to provide information pertaining to allegations of corruption and human rights violations. Further, information relating to allegations of human rights violation could be given but only with the approval of the Central or State Information Commission.
• A five-judge Constitution bench headed by Chief Justice Ranjan Gogoi commenced hearing on three appeals filed in 2010 by the apex court’s Secretary General and its Central Public Information Officer (CPIO) against the Delhi High Court order holding that the CJI’s office comes under the ambit of the Right to Information (RTI) Act.

The three cases are as given below:
• Demand for correspondence between Collegium and government.
• Declaration of assets of judges to be brought under RTI.
• Disclosure of the name of Union Minister who allegedly tried to influence Justice Raghupathy of Madras High Court.

THE CPIO v/s Subhash Chandra Agarwal:
• It all started 9 years back with a Right to Information application filed by activist Subhash Chandra Agarwal (who is one of the panelist in the episode) with the apex court’s Central Public Information Officer (CPIO).
• Agarwal sought disclosure of the SC collegium’s notes about the appointment of three SC judges (justices R.M. Lodha, H.L. Dattu and A.K. Ganguly).
• It was reported at the time that Lodha and Dattu had been elevated, superseding the all-India seniority of other high court judges who had become eligible for appointment as SC judges before them under the informal system.
• Therefore, Agarwal was curious to know whether the collegium had emphasized merit over seniority.

SCs arguments for exemption under RTI:
• Supreme Court Rules alone governed access to the information.
• It claims that the Rules are consistent with the RTI.
• It insists on the primacy of Supreme Court Rules over the RTI.
• An independent judiciary is considered to be the cornerstone of a democracy.
• The dissemination of information under SCR is part of judicial function, exercise of which cannot be taken away by any statute.
• Supreme Court discharge sovereign functions and they should be exempted from coming under the RTI Act.
• SCR have been framed under Article 145 of the Constitution and they provide for regulating the practice and procedure of the Court and have the effect of law.
• The legislature cannot make law to deprive the courts of their judicial functions conferred under the procedure established by law.
• Since there is no inconsistency between the SCR and RTI Act, the latter cannot override the former.
• It will compromise secrecy & security involved in certain cases. This may prove detrimental for our country.
• It will increase the political involvement in judiciary.

Issues with SCs Administrative Rules
• Supreme Court Rules undermined the RTI in many ways.
• Unlike the RTI Act, the Rules do not provide for
• A time frame for furnishing information
• An appeal mechanism
• Penalties for delays or wrongful refusal of in
• The Rules make disclosures to citizens contingent upon “good cause shown”.
• The Rules allow providing information at its unquestionable discretion, violating the text and spirit of the RTI.

Arguments for including Judiciary under RTI:
• Offices of all constitutional functionaries should be made amenable to the RTI law to bring transparency and accountability in their functioning.
• There is nothing to hide and therefore judiciary should be brought within RTI’s ambit.
• Article 145 starts with the phrase “subject to the provisions of any law made by Parliament”, which mean that Parliamentary law would prevail over Rules framed under Article 145.
• The citizens’ right to know the true facts about the administration of a country is essential for a democratic State.
• It will decrease the no. of case pendency as judiciary will have to give solid reasons & explanations for it.
• Timely conclusion of cases
• It will increase the faith of people if they could also know about judicial working.
• Corruption will be checked.
Source: https://www.youtube.com/watch?v=0ihQ2hp9xeM

15. AFSPA DEBATE

Introduction:
• The Armed Forces Special Powers Act commonly known as AFSPA came into force decades ago in the context of increasing violence in the North Eastern states. Passed in 1958 for North East and in 1990 for Jammu and Kashmir, the law gives armed forces necessary powers to control disturbed areas which are designated by the govt.
• Under the provisions of the AFSPA armed forces are empowered with immunity from being prosecuted to open fire, enter and search without warrant and arrest any person who has committed a cognizable offence. As of now this act is in force in Jammu and Kashmir, Assam, Nagaland and parts of Arunachal Pradesh and Manipur.
• After 32 years, the controversial Armed Forces (Special Powers) Act, which gives sweeping powers to security forces, was partially removed from three of nine districts of Arunachal Pradesh but would remain in force in the areas bordering Myanmar.

What is AFSPA?
• AFSPA gives armed forces the power to maintain public order in “disturbed areas”. They have the authority to prohibit a gathering of five or more persons in an area, can use force or even open fire after giving due warning if they feel a person is in contravention of the law. If reasonable suspicion exists, the army can also arrest a person without a warrant; enter or search premises without a warrant; and ban the possession of firearms.
• Any person arrested or taken into custody may be handed over to the officer in charge of the nearest police station along with a report detailing the circumstances that led to the arrest.

What is a “disturbed area”?
• A disturbed area is one which is declared by notification under Section 3 of the AFSPA. An area can be disturbed due to differences or disputes between members of different religious, racial, language or regional groups or castes or communities.

Who has the power to declare it?
• The Central Government, or the Governor of the State or administrator of the Union Territory can declare the whole or part of the State or Union Territory as a disturbed area. A suitable notification would have to be made in the Official Gazette. As per Section 3, it can be invoked in places where “the use of armed forces in aid of the civil power is necessary”.

What’s the origin of AFSPA?
• The Act came into force in the context of increasing violence in the Northeastern States decades ago, which the State governments found difficult to control. The Armed Forces (Special Powers) Bill was passed by both the Houses of Parliament and it was approved by the President on September 11, 1958. It became known as the Armed Forces Special Powers Act, 1958.

What are the special powers given to army officials?
• Under Section 4 of the AFSPA, an authorised officer in a disturbed area enjoys certain powers. The authorised officer has the power to open fire at any individual even if it results in death if the individual violates laws which prohibit (a) the assembly of five or more persons; or (b) carrying of weapons. However, the officer has to give a warning before opening fire.
• The authorised officer has also been given the power to (a) arrest without a warrant; and (b) seize and search without any warrant any premise in order to make an arrest or recovery of hostages, arms and ammunitions.
• Individuals who have been taken into custody have to be handed over to the nearest police station as soon as possible.
• Prosecution of an authorised officer requires prior permission of the Central government.

What has been the role of the judiciary?
• There were questions about the constitutionality of AFSPA, given that law and order is a state subject. The Supreme Court has upheld the constitutionality of AFSPA in a 1998 judgement (Naga People's Movement of Human Rights v. Union of India).
• In this judgement, the Supreme Court arrived at certain conclusions including (a) a suo-motto declaration can be made by the Central government, however, it is desirable that the state government should be consulted by the central government before making the declaration; (b) AFSPA does not confer arbitrary powers to declare an area as a ‘disturbed area’; (c) the declaration has to be for a limited duration and there should be a periodic review of the declaration 6 months have expired; (d) while exercising the powers conferred upon him by AFSPA, the authorised officer should use minimal force necessary for effective action, and (e) the authorised officer should strictly follow the ‘Dos and Don’ts’ issued by the army.

However, certain sections of the civil society view AFSPA as a draconian Act. Why?
• It has been dubbed as a license to kill. The main criticism of the Act is directed against the provisions of Section 4, which gives the armed forces the power to open fire and even cause death, if prohibitory orders are violated. Human rights activists object on the grounds that these provisions give the security forces unbridled powers to arrest, search, seize and even shoot to kill.
• Activists accuse the security forces of having destroyed homes and entire villages merely on the suspicion that insurgents were hiding there. They point out that Section 4 empowers the armed forces to arrest citizens without warrant and keep them in custody for several days.
• They also object to Section 6, which protects security forces personnel from prosecution except with the prior sanction of the central government. Critics say this provision has on many occasions led to even non-commissioned officers brazenly opening fire on crowds without having to justify their action.
• Critics say the act has failed to contain terrorism and restore normalcy in disturbed areas, as the number of armed groups has gone up after the act was established. Many even hold it responsible for the spiralling violence in areas it is in force.
• The decision of the government to declare a particular area ‘disturbed’ cannot be challenged in a court of law. Hence, several cases of human rights violations go unnoticed.

Recommendations made by experts:

(a) Jeevan Reddy Committee: A committee headed by Justice Jeevan Reddy was appointed in 2004 to review AFSPA. Though the committee found that the powers conferred under the Act are not absolute, it nevertheless concluded that the Act should be repealed.
• However, it recommended that essential provisions of the Act be inserted into the Unlawful Activities (Prevention) Act of 1967.
• The key recommendations of the Reddy Committee were:
  ❖ In case the situation so warrants, the state government may request the Union government to deploy the army for not more than six months.
  ❖ The Union government may also deploy the armed forces without a request from the state. However, the situation should be reviewed after six months and Parliament’s approval should be sought for extending the deployment.
  ❖ Non-commissioned officers may continue to have the power to fire.
  ❖ The Union government should set up an independent grievances cell in each district where the Act is in force.

(b) Justice Verma report mentioned the Act as a part of a section on offences against women in conflict areas. “Sexual violence against women by members of the armed forces or uniformed personnel must be brought under the purview of ordinary criminal law,” the report said, adding that “there is an imminent need to review the continuance of AFSPA and AFSPA-like legal protocols in internal conflict areas as soon as possible.” This resonates with the ruling by the Supreme Court in July that the Army and police are not free to use excess force even under the AFSPA. However, none of these have made any real difference to the status of the AFSPA.
(c) The Second Administrative Reforms Commission headed by then Union law minister M Veerappa Moily also recommended that AFSPA should be repealed and its essential provisions should be incorporated in the UAPA. If this course of action is adopted, it would be a retrograde step that will substantially harm the national cause.

But, why have AFSPA?

- The Army clearly sees AFSPA as a capstone enabling Act that gives it the powers necessary to conduct counter-insurgency operations efficiently.
- If AFSPA is repealed or diluted, it is the army leadership’s considered view that the performance of battalions in counter-insurgency operations will be adversely affected and the terrorists or insurgents will seize the initiative.
- Many argue that removal of the act will lead to demoralising the armed forces and see militants motivating locals to file lawsuits against the army.
- Also, the forces are aware that they cannot afford to fail when called upon to safeguard the country’s integrity. Hence, they require the minimum legislation that is essential to ensure efficient utilization of combat capability. This includes safeguards from legal harassment and empowerment of its officers to decide on employment of the minimum force that they consider essential.
- The absence of such a legal statute would adversely affect organizational flexibility and the utilization of the security capacity of the state. This would render the security forces incapable of fulfilling their assigned role.
- AFSPA is necessary to maintain law and order in disturbed areas, otherwise things will go haywire. The law also dissuades advancement of terrorist activities in these areas.
- Also, extraordinary situations require special handling. As the army does not have any police powers under the Constitution, it is in the national interest to give it special powers for operational purposes when it is called upon to undertake counter-insurgency operations in disturbed areas.

Protective measures provided:

- Section 5 of the Act already mandates that arrested civilians must be handed over to the nearest police station ‘with the least possible delay’ along with a report of ‘circumstances occasioning the arrest.’
- Army HQ has also laid down that all suspects who are arrested will be handed over to civilian authorities within 24 hours.
- Regarding firing on civilians, the army’s instructions are that fire may be opened in towns and villages only in self defence and that too when the source of terrorist or militant fire can be clearly identified.

Conclusion:

- The practical problems encountered in ensuring transparency in counter-insurgency operations must be overcome by innovative measures. The army must be completely transparent in investigating allegations of violations of human rights and bringing the violators to speedy justice. Exemplary punishment must be meted out where the charges are proved.

Source: [https://youtu.be/nm52U_QLRUE](https://youtu.be/nm52U_QLRUE)

### 16. CHALLENGES FOR FEDERAL STRUCTURE

**Introduction:**

- Instances of tussle between the agencies of central government and the state governments are known. IT raids at the offices and residence of aides of Madhya Pradesh Chief Minister which saw run-in between the CRPF officers and the state police officers. Such instances were also witnessed in West Bengal, Karnataka and Andhra Pradesh as well where the central agencies proceeded with corruption or irregularity probes. The central agencies are formed in a federal structure and have primarily the responsibility of probing issues against government staff and serious cases referred to it by courts or by the state governments itself. Besides the cases of corruption probe, another subject which raises the issue of a federal structure are statements made by the leaders of Jammu and Kashmir centric parties on Article 370.
- **Federalism** is a system of government in which powers have been divided between the centre and its constituent parts such as provinces or states. Unlike a unitary state, sovereignty is constitutionally split between at least two territorial levels so that units at each level have final authority and can act
independently of the others in some area. The constituent units possess certain level of autonomy depending on type of federation. There are two types of federations:

1. **Holding together federation**: In this form of federation, the powers are shared among various social groups/constituent parts to accommodate the diversity present in the society. In this type of federation, the powers are somewhat tilted towards the central authority. India, Spain, Belgium etc follow this form of federalism.

2. **Coming together federation**: In this form of federation, the independent states come together to form a bigger unit and sacrifice some of their powers to be enjoyed by the central authority. The states here enjoy more autonomy as compared to the states in “holding together federation” system. Countries such as the USA, Switzerland, Australia follow this form of federalism.

- **The features of federal system include governments atleast at two levels, division of powers between different levels of the government, rigidity of constitution, independent judiciary, bicameralism, dual citizenship etc.**

**Indian Model of Federalism**

- **The Government of India Act, 1919** introduced the concept of division of powers between the centre and the provincial legislatures by separating the central and provincial subjects. For the first time, it introduced bicameralism consisting of an Upper House and Lower House. The Constitution of does not mention India as a ‘federation’ but ‘Union of states’. Below are the features of the federalism followed in India:
  
  1. **Supremacy of the constitution**: Constitution is the supreme law in India. The constitution is regarded as the guide in framing policies of the government. It lays out the ideas and philosophy of the constitution framers. It secures the right of the citizens.
  2. **Written constitution**: India has the lengthiest written constitution in the whole world. The provisions of the constitution of India have been drawn from various sources. Indian constitution is a blend of rigidity and flexibility.
  3. **Vertical power sharing**: The Constitution has divided the powers between the Union and the States. It helps in accommodating diversity of the country. It enables the state governments to take decision with flexibility according to the local needs. The powers in India have been, to some level, tilted towards the centre.
  4. **Horizontal power sharing**: India has three wings of the government- Legislature, Executive and Judiciary. Unlike USA, in India political executive is a part of the legislature.
  5. **Bicameralism**: The Parliament of India has two houses – Lok Sabha and Rajya Sabha. Most of the states in India do not have bicameral legislature.
  6. **Independent judiciary**: The Indian constitution provides for an independent and an integrated judicial system. The lower courts and the district courts are at the local level, high courts at the state level and the Supreme court is the highest court of the country. All the courts in India are subordinate to the Supreme Court.

**Reasons for tussles:**

- For a country like India which is divided on the linguistic and communal basis, a pure federal structure could lead to disruption and division of states.
- Treating the state as their own fiefdom.
- Central agencies like CBI, IT working under the pressure.

**Judicial Character of Federalism in India:**

- The Indian judiciary has heard a number of cases involving the issue of the federal character of the Indian constitution.
- The first significant case where this issue was discussed at length by the apex Court was State of West Bengal V. Union of India.
- The apex court held that the Constitution of India is not truly Federal in character.
- State of Karnataka v. Union of India – The Indian Constitution is not federal in character but has been characterized as quasi-federal in nature.
- **Kesavananda Bharati v. State of Kerala** – federalism to be a part of the basic structure of the constitution which means it can’t be tampered with.
What is the ambit of Central agencies?

- The jurisdiction of central agencies when it comes to these issues is also crystal clear. Any interference or use of state instrumentalities or state agencies to prevent them from doing their job violates fundamental legal principles and establishes a law and order issue.
- Central agencies and state agencies are answerable only to the law and no one else, regardless of who is at the top. Therefore, this is not something that highlights a problem with the federal structure; however, this shows a wilful, brazen flouting of the federal structure.
- When it is understood or it becomes absolutely clear that the ramification of a certain issue goes beyond a particular state, by default or at least as a part of practice, such matters end up before the Central Bureau of Investigation. In fact, quite a few instances, if an investigation starts at a state government or within the territory of a particular state and then they realize that this goes much beyond a particular state, and could have nationwide ramifications, then such a matter is referred to the CBI. Or, if it otherwise has an implication of national importance, then it is referred to the CBI.
- Law and order cannot take the back seat just because elections are going on. The sanctity of the elections is understood, but that does not necessarily mean that every other process be in a state of suspended animation. The agencies have to do their jobs.
- The institutions must be allowed to do their job.

Way Forward:

- We need to strike a balance between both unitary and federal features of the country.
- States should be autonomous in their own sphere but they can’t be wholly independent to avoid a state of tyranny in the nation.
- Long-term solution is to foster genuine fiscal federalism where states largely raise their own revenue.
- Creating a fiscal structure where the states have greater revenue-raising authority, as well as greater decision-making power on spending.
- India needs to move away from centralization-decentralization thinking, and embrace genuine fiscal federalism by permanently creating a fiscal power centre in the states.

Source: [https://www.youtube.com/watch?v=GKNKqYkDAGw](https://www.youtube.com/watch?v=GKNKqYkDAGw)

17. PEPSICO VS POTATO FARMERS

Introduction:

- A variety of potatoes developed by FMCG giant Pepsi’s India division has triggered a patent-infringement battle in the country. The snacks and beverages major has sued a few farmers in Gujarat for growing potatoes which the company uses to make its Lay’s chips. The MNC has sought Rs 1 crore each from four farmers for cultivating the FC5 potato variety. In an Ahmedabad commercial court, the company claimed it is the registered breeder of FC5 under India’s Protection of Plant Varieties and Farmers’ Rights Act. PepsiCo has been developing and registering a variety of potatoes in India since the production of Lay’s took a hit in 2008. The overall supply of potatoes was hit that year due to crop failure in the states of Maharashtra, Karnataka, and Punjab. The company currently works with 24,000 farmers across the country in states like West Bengal, Maharashtra, Punjab, Gujarat, Uttar Pradesh, Karnataka, Bihar, Haryana, and Chhattisgarh.

The Protection of Plant Varieties and Farmers’ Rights (PPV&FR) Act, 2001:

- Enacted by India in 2001 adopting sui generis system.
- It is in conformity with International Union for the Protection of New Varieties of Plants (UPOV), 1978.
- The legislation recognizes the contributions of both commercial plant breeders and farmers in plant breeding activity and also provides to implement TRIPs in a way that supports the specific socio-economic interests of all the stakeholders including private, public sectors and research institutions, as well as resource-constrained farmers.

Objectives of the PPV & FR Act, 2001:

- To establish an effective system for the protection of plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.
• To recognize and protect the rights of farmers in respect of their contributions made at any time in conserving, improving and making available plant genetic resources for the development of new plant varieties.

• To accelerate agricultural development in the country, protect plant breeders’ rights; stimulate investment for research and development both in public & private sector for the development new of plant varieties.

• Facilitate the growth of seed industry in the country which will ensure the availability of high quality seeds and planting material to the farmers.

Rights under the Act:

1. Breeders’ Rights : Breeders will have exclusive rights to produce, sell, market, distribute, import or export the protected variety. Breeder can appoint agent/ licensee and may exercise for civil remedy in case of infringement of rights.

2. Researchers’ Rights : Researcher can use any of the registered variety under the Act for conducting experiment or research. This includes the use of a variety as an initial source of variety for the purpose of developing another variety but repeated use needs prior permission of the registered breeder.

3. Farmers’ Rights:
   ➢ A farmer who has evolved or developed a new variety is entitled for registration and protection in like manner as a breeder of a variety;
   ➢ Farmers variety can also be registered as an extant variety;
   ➢ A farmer can save, use, sow, re-sow, exchange, share or sell his farm produce including seed of a variety protected under the PPV&FR Act, 2001 in the same manner as he was entitled before the coming into force of this Act provided farmer shall not be entitled to sell branded seed of a variety protected under the PPV&FR Act, 2001;
   ➢ Farmers are eligible for recognition and rewards for the conservation of Plant Genetic Resources of land races and wild relatives of economic plants;
   ➢ There is also a provision for compensation to the farmers for non-performance of variety under Section 39 (2) of the Act, 2001 and
   ➢ Farmer shall not be liable to pay any fee in any proceeding before the Authority or Registrar or the Tribunal or the High Court under the Act.

Problems with proprietary seeds:

• Gujarat and Rajasthan farmers have been cultivating FC-5 variety of potato which has been registered by PepsiCo under the Protection of Plant Varieties and Farmers’ Rights Act 2001 (PPVFRA) for their own use.

• The FC-5 variety, used to make Lay’s chips, is grown under a contract farming deal, by 12,000 farmers in Gujarat’s Sabarkantha district.

• Concentration of Corporate power. This concentration has made a huge dent in farmer’s pockets.

• Farmers who buy GMO seeds must pay licensing fees and sign contracts that dictate how they can grow the crop and even allow seed companies to inspect their farms.

• GMO seeds are expensive and farmers must buy them each year or else be liable for patent infringement.

• Farmers are not using genetically distinctive seeds adapted to local conditions and farming traditions, they are instead adapting local conditions and traditions in order to use genetically standardised seeds, to ruinous effect.

Why Pepsico has taken this particular step?-Background

• It is a relationship between the supply lines of raw material, and a consumer company which is consuming it for food processing. PepsiCo, as a consumer company, is assuring the raw material supply in a stabilized manner by involving farmers, giving them the input of seeds, and giving them inputs of other pre-harvest items which are needed towards making good quality potato. Another aspect is the farmer who is getting the assured return on his investment by investing on a particular seed.

• This dispute is a normal phenomenon in the Indian scenario when farmers use the seeds from the previous crops.

• This particular case is a little harsh on the farmers because unknowingly, they have ignored a kind of law. Farmers are poor in India. They are ill-informed. They are not properly trained. They are not educated.

• Thus, companies should take an initiative towards educating the farmers. Companies need to take more responsibility towards training and educating the farmers, alongside the government.
• Education and training of farmers needs to be taken up as seriously as any other initiative aimed towards skill development.

**Contract Farming issues:**

• We have seen conflicts between the farmers and the companies.
• PepsiCo started their business with **tomatoes in Hoshiarpur, Punjab**. They gave farmers the best technology back then. The company also gave them an assured price. The farmers thought that they would benefit from it
• There was some kind of contract farming arrangement.
• However, once it was seen that when the market prices were good, the farmers did not honour the contract and they did not sell it to the company at the assured price. They were instead trying to sell the same in the market.
• In the next year when the market prices were low, the companies made a plan to buy the produce from the market.
• Thus, from both the sides, there was a dishonouring of the contract which was being done.

**Way Forward:**

➢ Government should also take responsibility for the implementation of various laws.
➢ Building of trust and a good relationship between the farmers and the companies.
➢ Need of harmonized system in India, between farmers and companies.
➢ Model contract farming act is having a lot of hopes, and every state should implement it fast.
➢ Proper institutional mechanism to address this issue.
➢ Process is participatory i.e. something in which the farmers also participate, then the same would augur well.
• There should be absolutely no compromise on farmers’ rights and seed sovereignty. The state government should make the Act as the basis of any settlement, if at all, and anything less than that is unacceptable. It would have failed all the farmers in India and not just the sued farmers if it succumbs to corporate lobbying.
• The withdrawal of the lawsuit by PepsiCo (after the episode) may be a welcome relief to several farmers who can neither afford to defend themselves in court, nor to abandon the cultivation of proprietary varieties.
• It must, however, be a wake-up call to the government and policymakers who need to do much more to secure sustainable rural societies, protect soil health and promote seed sovereignty for the economic development of Indian farmers and of the entire nation.

**Recent Update-** PepsiCo announced the withdrawal of the lawsuit.

Source: [https://www.youtube.com/watch?v=VoIXiaEsPqs](https://www.youtube.com/watch?v=VoIXiaEsPqs)

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**18. FIGHTING NAXALISM**

**Introduction:**

• Four BSF personnel were killed and 2 injured in an encounter with Naxals in the Kanker district of Chhattisgarh months back. One CRPF jawan was also killed and one of his colleagues injured in a gun battle with naxals in Dhamtari district. According to Security forces Naxals have also suffered heavy casualties in these attacks.
• Naxalism is considered to be one of the biggest internal security threats India faces. Naxal violence is related to the intensity of the feeling of people of their deprivation and their commitment to take revenge against those who are believed to be responsible for such denial. Currently, the main supporters of the movement are marginalised groups of India including Dalits and Adivasi’s, who believe they have been neglected by the government. The presence of Naxals in the country reveals the loopholes in the law and order of the country which has failed to curb the menace.

**Naxal Movement in India:**

• In its initial stages, the movement had strong ideological moorings, receiving guidance from leaders like Charu Majumdar, Kondapalli Seetharamaiah, Nagabhushan Patnaik and others.
• Over the years, the trajectory of the movement, as also its character, changed and it became more brutal and sanguinary.
• It still maintained a veneer of being true supporters of the poor and the downtrodden, especially the tribal people.
• It did lose some of the support of the urban intelligentsia, but Maoism still resonates with some of the more ideologically oriented elements in universities and colleges.
• In Chhattisgarh, Dantewada, Bastar, Bijapur and Sukma are the main centres of Maoist activity currently.
• Between the first phase of Naxalism (1967 to 1972) and today’s Maoist movement, vast changes have occurred in the taxonomy of Naxalism.
• Today, it has metamorphosed into a highly rigid and militaristic movement, more intent on terrorising segments of population than on supporting people’s causes.
• Communist Party of India (Maoist) lost around 30 of its cadres in a covert operation jointly organised by the Greyhounds of Andhra Pradesh and the Special Operations Group of Odisha.
• Many claim that it marked the beginning of the end of the Naxalite movement in the country.

Causes:

• Political Factors
  o Nature and apathy of the political system towards tribals remained one of the most important factors that led to such uprisings.
  o Inability of political authority in India to provide avenues for structural uplift to the deprived sections of society in the affected states.
  o Lack of political participation by the tribal community

• Economic Factors
  o Poverty and economic inequality and underdevelopment in the naxal affected regions.
  o Entry of mining companies in Tribal lands and forests, posing threat to the livelihood of the tribes.
  o Indigenous tribal population deprived of their lands, uprooted from their traditional source of livelihood.
  o The benefits of the resource exploitation are not passed on the tribals.

• Environmental Degradation
  o Environmental degradation in the form of destruction of land and water resources due to mining and industrial activates.

• Lack of basic facilities
  o Lack of basic facilities like education, freedom, sanitation and food.
  o The socially backward tribals form the major support base for Naxalites because of inequality, illiteracy and lack of opportunities.

Reasons for the reversals faced by CRPF in fight against Naxals

• Lack of a common plan across the states
• Lack of coordination between state police and Central forces.
• Inadequate training and combat capability of forces in Maoism affected states.
• Lack of institutionalized intelligence sharing between states and regions.
• Naxalites are well versed with terrain which gives them a substantial upper hand in armed struggle.

Government’s approach

• Operation Green Hunt: started in 2010 and massive deployment of security forces was done in the naxal-affected areas. From 223 districts that were affected due to naxalism in the year 2010, the number has come down to 90 in nine years.
• Aspirational Districts Programme
• The Government’s approach is to deal with Left Wing Extremism in a holistic manner, in the areas of security, development, ensuring rights and entitlements of local communities, improvement in governance and public perception management
• ‘Police’ and ‘Public Order’ being State subjects, action on maintenance of law and order lies primarily in the domain of the State Governments.
• Filling up critical infrastructure gaps under the Scheme for Special Infrastructure in Left Wing Extremism affected States.
• Assistance in training of State Police through the Ministry of Defence.
• Assistance in community policing and civic action programmes.
• ‘National Policy and Action Plan to address Left Wing Extremism’, aimed at eliminating the menace in the shortest possible timeframe.
• Anti-left-wing extremism (LWE) policy to enhance the deployment of central forces in the Naxal infested areas in the state.

Ways to end Naxalism in India

Good governance
1. The presence of Naxals in the country also reveals the loopholes in the law and order of the country which has failed to curb the menace.
2. Central government needs to implement a coherent national strategy to end Naxalism.

Dialogue
a) Dialogues between the Naxal leaders, and the government officials can be a way work out a solution.
b) The government should initiate sincere dialogue with Naxalites.

Generate more employment and increase wages
a) Insecure livelihood and unemployment in the areas have left the people with no option but to join the Naxals.
b) If we are actually thinking of ways to end Naxalism, we’ll first have to provide the people of the area with proper employment opportunities with increased wages

Rehabilitation and resettlement
a) mining grounds, irrigation areas, industries, etc., in the area without any provision for the resettlement of the displaced people has only added to the woes of the poor
b) There needs to be more emphasis on rehabilitation of these affected population

Prevent environmental degradation
a) Environmental degradation in the form of destruction of land and water resources due to mining and industrial activates
b) The locals are left with disrupted lives and adversely affecting tourism

Stop the political marginalization of weaker sections
a) Weaker sections of the society, the schedule castes and schedule tribes still face discrimination from the upper class.
b) These downtrodden sections don’t enjoy equal participation in casting and contesting politically, making them soft targets of Naxals.

Remove disparity
a) Economic disparity and the growing distance between rich and the poor is one of the main problems that has contributed to the growth of Naxalism
b) This distance needs to be filled to an extent hastily to stop Naxalism

Let ordinary citizens have access to basic resources
a) One of the major reasons for unrest is the exploitation of forest and lands of the tribal people for industrial purposes.
b) The loss of land and the lack of basic facilities like education, freedom, sanitation and food

Take steps for welfare of the tribals
a) The socially backward tribals form the major support base for Naxalites because of inequality, illiteracy and lack of opportunities.
b) It’s important to prevent these people from falling in the Naxal trap.

Modernize law enforcement agencies
a) the major policing lies in the hands of the state governments
b) At federal level, many agencies are under the command of Union Ministry of Home Affairs
b) Central government must inroads into these disturbed states with their agencies well-equipped with modern artillery and assist the usually poorly-equipped agencies of the state.

Need of the Hour:
• Central and State governments, the administration and the security establishment need to recognise that the movement cannot be approached from a purely law and order point of view.
• The process of improving the conditions of the poor and the tribals clearly need to be speeded up if the movement is to be effectively checked.
• Winning the hearts and minds of the tribal population and other marginalised groups will lie at the core of the counter-insurgency strategy
• Development of road and rail infrastructure will not only enhance economic growth and development but will also help in countering Maoist propaganda
• The improved road connectivity will also have a multiplier effect on the effectiveness of the security forces in carrying out operations.
• Providing incentives and alternate life support system to those surrendered

Conclusion:
• Through a holistic approach focusing on development and security related interventions, the LWE problem can be successfully tackled.
• Civil society and the media should build pressure on the Maoists to eschew violence, join the mainstream and recognise the fact that the socio-economic and political dynamics and aspirations of 21st Century India are far removed from the Maoist world-view.
• An ideology based on violence and annihilation is doomed to fail in a democracy which offers legitimate forums of grievance redressal.

Source: https://www.youtube.com/watch?v=aOAZDHpnZ64

19. ANTI-DEFECTION LAW AND KARNATAKA POLITICAL CRISIS

Introduction:
• Political defections aren’t anything new and not something that the BJP alone should be held accountable for in the two southern states Goa and Karnataka, as well as in the Rajya Sabha where four out of six TDP members resigned and joined the Treasury Benches. Crossing the aisle has been part of India’s democratic process ever since the first elections in 1952. On more than one occasion, the Congress has used the lure of power or cash or both to get the requisite support to govern, a memorable instance being from 1984 when the then Andhra Chief Minister and TDP founder NT Rama Rao (NTR) was displaced by N Bhaskara Rao. That NTR was in the US undergoing heart surgery made the occasion all the more poignant. The events in Karnataka are not new. The usual method of opposition parties has been to lure away ruling party/coalition legislators. This floor-crossing in states reached epic proportion in the 1960s and 1970s. MLAs in some states changed their political allegiances multiple times during the day. Parliament amended the Constitution in 1985 to stop this menace, and brought in the anti-defection law.
• The main intent of the law was to combat “the evil of political defections”. However over the years there have been criticisms over the disqualifications and several issues in relation to the working of this law which need to be discussed.

Features of anti defection law :
• Disqualification
  o If a member of a house belonging to a political party:
    ▪ Voluntarily gives up the membership of his political party, or
    ▪ Votes, or does not vote in the legislature, contrary to the directions of his political party. However, if the member has taken prior permission, or is condoned by the party within 15 days from such voting or abstention, the member shall not be disqualified.
    ▪ If an independent candidate joins a political party after the election.
    ▪ If a nominated member joins a party six months after he becomes a member of the legislature.
Power to Disqualify
- The Chairman or the Speaker of the House takes the decision to disqualify a member.
- If a complaint is received with respect to the defection of the Chairman or Speaker, a member of the House elected by that House shall take the decision.

Exception
- A person shall not be disqualified if his original political party merges with another, and:
  - He and other members of the old political party become members of the new political party, or
  - He and other members do not accept the merger and opt to function as a separate group.
- This exception shall operate only if not less than two-thirds of the members of party in the House have agreed to the merger.

Court interpretations on anti defection law:
- The Tenth Schedule says the Speaker’s/Chairperson’s decision on questions of disqualification on ground of defection shall be final and can’t be questioned in courts. In Kihoto Hollohan vs Zachillhu and Others (1991), an SC Constitution Bench declared that the Speaker’s decision was subject to judicial review.
- In 1996 – Once a member is expelled, he is treated as an ‘unattached’ member in the house. However, he continues to be a member of the old party as per the Tenth Schedule. So if he joins a new party after being expelled, he can be said to have voluntarily given up membership of his old party.
- The Speaker of a House does not have the power to review his own decisions to disqualify a candidate. Such power is not provided for under the Schedule, and is not implicit in the provisions either
- If the Speaker fails to act on a complaint, or accepts claims of splits or mergers without making a finding, he fails to act as per the Tenth Schedule. The Court said that ignoring a petition for disqualification is not merely an irregularity but a violation of constitutional duties

Committee interpretations on anti defection law:
- Following demands that disqualification not be decided by speakers as they failed to be impartial, the Dinesh Goswami Committee and the Constitution Review Commission headed by Justice MN Venkatachaliah (2002) had recommended such a decision be made by the President or the Governor on the Election Commission’s advice, as in the case of disqualification on grounds of office of profit.
- Dinesh Goswami Committee on electoral reforms (1990)
  - Disqualification should be limited to cases where (a) a member voluntarily gives up the membership of his political party, (b) a member abstains from voting, or votes contrary to the party whip in a motion of vote of confidence or motion of no-confidence.
- Law Commission (170th Report, 1999)
  - Pre-poll electoral fronts should be treated as political parties under anti-defection law.
  - Political parties should limit issuance of whips to instances only when the government is in danger.

Advantages of anti-defection law:
- Provides stability to the government by preventing shifts of party allegiance.
- Ensures that candidates remain loyal to the party as well the citizens voting for him.
- Promotes party discipline.
- Facilitates merger of political parties without attracting the provisions of Anti-defection
- Expected to reduce corruption at the political level.
- More concentration on governance is possible.
- Provides for punitive measures against a member who defects from one party to another.

Challenges posed by anti defection law:
- The law doesn’t touch on the time period for the speaker to decide on disqualification.
- The anti-defection law raises a number of questions, several of which have been addressed by the courts and the presiding officers.
- Resignation v/s Disqualification as seen in Karnataka politics.
• The law impinge on the right of free speech of the legislators:
  o This issue was addressed by the five-judge Constitution Bench of the Supreme Court in 1992 (Kihoto Holllohan vs Zachilhu and others). The court said that “the anti-defection law seeks to recognise the practical need to place the proprieties of political and personal conduct...above certain theoretical assumptions.” It held that the law does not violate any rights or freedoms, or the basic structure of parliamentary democracy.

• Doubts regarding “voluntarily” resigning from a party:
  o According to a Supreme Court judgment, “voluntarily giving up the membership of the party” is not synonymous with “resignation”.
  o It has interpreted that in the absence of a formal resignation by the member, the giving up of membership can be inferred by his conduct.
  o In other judgments, members who have publicly expressed opposition to their party or support for another party were deemed to have resigned

• Regarding Whips:
  o Political parties issue a direction to MPs on how to vote on most issues, irrespective of the nature of the issue.
  o It restricts a legislator from voting in line with his conscience, judgement and interests of his electorate.
  o Such a situation impedes the oversight function of the legislature over the government, by ensuring that members vote based on the decisions taken by the party leadership, and not what their constituents would like them to vote for.

• Challenging the decision of the presiding officer in the courts:
  o The law states that the decision is final and not subject to judicial review. There are several instances that presiding officers take politically partisan view.
  o The Supreme Court struck down part of this condition. It held that there may not be any judicial intervention until the presiding officer gives his order. However, the final decision is subject to appeal in the High Courts and Supreme Court.

Speaker should not be the final decider because:

• The Speaker has been assigned the role of an impartial arbiter. But the conduct of speakers has left much to be desired.
• A lawmaker elected as Speaker/Chairman is allowed to resign from his/her party, and rejoin it if he/she demits office. But speakers have invariably allowed themselves to be used for gain of their party or leader.
• There have been many instances which show there is a need for more clarity:
  o The Uttarakhand Assembly Speaker disqualified nine MLAs from the ruling party in 2016, despite the MLAs not leaving the Congress or voting against it in the Assembly. Furthermore, while the MLAs had voiced dissenting notes against the Budget, the Budget itself was declared passed without voting by the Speaker.
  o Such instances highlight the need for greater clarity in the interpretations associated with the Anti-Defection Law. Perhaps, it might be better for such critical decisions, associated with representative disqualification, to be determined by the President instead, with inputs from the Election Commission.

Way Forward:

• Final decision on disqualification should be taken by President or Governor because too much importance has been given to speaker as per anti defection law is concerned.
• More stringent and effective law is a need of hour.
• Tribunal needs to be created for dealing with cases like this.
• Proper division of power should be put in place between Legislature, executive and judiciary.
• Disqualification procedure should continue even after resignation.

Conclusion:

• The anti-defection law seeks to provide a stable government by ensuring the legislators do not switch sides. The true objective to enhance the credibility of the country’s polity by addressing rampant party-
hopping by elected representatives should be pursued rather than using it as a political tool to pursue narrow interests of party.

Source: https://www.youtube.com/watch?v=5l8VMZ4z59s

20. SINGLE TRIBUNAL FOR RIVER WATER DISPUTES

Introduction:
- India has seen protracted river water sharing disputes in recent years. **Depleting groundwater, drying rivers and increasing demand** for water have led to long legal wrangles between warring states.
- But very soon, India might have a single national tribunal — the **Inter-State River Water Disputes Tribunal** — to arbitrate inter-state water disputes. Its recommendations will be binding on the competing parties.
- Over the years, there have been several tribunals hearing disputes between states on river water sharing, but they have not been effective in resolving disputes in a time-bound manner.
- While there are suggestions for reconsidering and reviewing the structuring and functioning of the tribunals, there is also a need to look for an alternative mechanism, based on environmental thinking, to resolve such disputes effectively, amicably and sustainably.

Background:
Provisions related to interstate river water disputes
- **Entry 17 of State List** deals with water i.e. water supply, irrigation, canal, drainage, embankments, water storage and water power.
- **Entry 56 of Union List** empowers the Union Government for the regulation and development of inter-state rivers and river valleys to the extent declared by Parliament to be expedient in the public interest.
- **Article 262:** In the case of disputes relating to waters, it provides
  - **Clause 1:** Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution or control of the waters of, or in, any inter-State river or river valley.
  - **Clause 2:** Parliament may, by law provide that neither the Supreme Court nor any other court shall exercise jurisdiction in respect of any such dispute or complaint as mentioned above.
- Parliament has enacted two laws according to Article 262:
  - **River Board Act, 1956**
    - The regulation and development of inter-state rivers and river valleys was to be entrusted to various River Boards when this Act was adopted in 1956.
    - The River Boards were designed to advise the central government on development opportunities, coordinate activities and resolve disputes.
    - Under their mandate, the Boards were required to provide advice to the government on various issues related to rivers.
  - **Inter-State Water Dispute Act, 1956**
    - Interstate River Water Disputes Act, 1956 (IRWD Act) was enacted by the parliament of India under Article 262 of Constitution to resolve the water disputes that would arise in the use, control and distribution of an interstate river or river valley.

Some of the Inter-State Water Disputes and States Involved:
1. Narmada Water Dispute- Gujarat, Maharashtra, Madhya Pradesh and Rajasthan
2. Mahi River Dispute- Gujarat, Rajasthan and Madhya Pradesh
3. Ravi and Beas Water Dispute- Punjab, Haryana, Himachal Pradesh, Rajasthan, Jammu and Kashmir and Delhi
4. Satluj-Yamuna Link Canal Dispute- Punjab, Haryana and Rajasthan
5. Yamuna River Water Dispute- Uttar Pradesh, Haryana, Himachal Pradesh, Punjab, Rajasthan, Madhya Pradesh and Delhi.
6. Karmnasa River Water Dispute- Uttar Pradesh and Bihar
7. Barak River Water Dispute- Assam and Manipur
8. Cauvery Water Dispute- Tamil Nadu, Kerala and Karnataka
9. Krishna Water Dispute- Maharashtra, Karnataka and Andhra Pradesh
10. Tungabhadra Water Dispute- Andhra Pradesh and Karnataka
11. Aliyar and Bhivani River Water Dispute- Tamil Nadu and Kerala
12. Godavari River Water Dispute- Andhra Pradesh, Odisha, Chattisgarh, Karnataka, Madhya Pradesh

Causes of Inter-State Water Dispute:

- Water is a finite resource and its demand has increased several times in agricultural, industrial and domestic sector than what is available at present as the country is growing and lifestyle is changing such as increased urbanization.
- The moment water is accumulated at a large scale, it gives rise to dispute where commissions come into play and this goes on. This is also more of a political issue because when these disputes are used as emotive issues, all parties jump in, several vested interest are created which leads to further problems like bandhs and strikes.
- There is a huge debate on development/growth versus environment as well. Problems are also related with the storage of water such as dams, using it for production of electricity etc which lead to disputes.
- There is an administrative system at present which is in conflict with what people want.

Reasons for delay in resolving river water disputes:

- The Inter State Water Dispute Act, 1956 which provides the legal framework to address such disputes suffers from many drawbacks as it does not fix any time limit for resolving river water disputes.
- Under this Act, a separate Tribunal has to be established for each Inter State River Water Dispute.
- Only three out of eight Tribunals have given awards accepted by the States, while Tribunals like Cauvery and Ravi Beas have been in existence for over 26 and 30 years respectively without any award.
- Delays are on account of no time limit for adjudication by a Tribunal, no upper age limit for the Chairman or the Members, work getting stalled due to occurrence of any vacancy and no time limit for publishing the report of the Tribunal.
- For instance, in the case of Godavari water dispute, the request was made in 1962, but the tribunal was constituted in 1968 and the award was given in 1979 which was published in the Gazette in 1980. The Cauvery Water Disputes Tribunal, constituted in 1990, gave its final award in 2007.
- Opacity in the institutional framework and guidelines that define these proceedings; and ensuring compliance.
- The River Boards Act 1956, which is supposed to facilitate inter-state collaboration over water resource development, remained a ‘dead letter’ since its enactment.
- Though award is final and beyond the jurisdiction of Courts, either States can approach Supreme Court under Article 136 (Special Leave Petition) under Article 32 linking issue with the violation of Article 21 (Right to Life).
- The composition of the tribunal is not multidisciplinary and it consists of persons only from the judiciary.
- The absence of authoritative water data that is acceptable to all parties currently makes it difficult to even set up a baseline for adjudication.
- Surface water is controlled by Central Water Commission (CWC) and ground water by Central Ground Water Board of India (CGWB). Both bodies work independently and there is no common forum for common discussion with state governments on water management.

Inter-State River Water disputes (Amendment) Bill, 2019.
- The Bill seeks to amend the Inter State River Water Disputes Act, 1956 with a view to streamline the adjudication of inter-state river water disputes and make the present institutional architecture robust.

Features of the bill:

1. Disputes Resolution Committee: The Bill requires the central government to set up a Disputes Resolution Committee (DRC), for resolving any inter-state water dispute amicably. The DRC will get a period of one year, extendable by six months, to submit its report to the central government.
2. Members of DRC: Members of the DRC will be from relevant fields, as deemed fit by the central government.
3. Tribunal: The Bill proposes to set up an Inter-State River Water Disputes Tribunal, for adjudication of water disputes, if a dispute is not resolved through the DRC. This tribunal can have multiple benches. All existing tribunals will be dissolved and the water disputes pending adjudication before such existing tribunals will be transferred to this newly formed tribunal.
4. Composition of the Tribunal: The tribunal shall consist of a Chairperson, Vice-Chairperson, and not more than six nominated members (judges of the Supreme Court or of a High Court), nominated by the Chief Justice of India.
• The growing nexus between water and politics have transformed the disputes into turfs of vote bank politics.
  o This politicisation has also led to increasing defiance by states, extended litigations and subversion of resolution mechanisms.
  o For example, the Punjab government played truant in the case of the Ravi-Beas tribunal.
• Too much discretion at too many stages of the process.
  o Partly because of procedural complexities involving multiple stakeholders across governments and agencies.
  o India’s complicated federal polity and its colonial legacy.

Way forward:
• The need to work at the basin level for which River Basin Organization should be created.
• The Centre’s proposal to set up a single, permanent tribunal to adjudicate on inter-state river water disputes could be a major step towards streamlining the dispute redressal mechanism.
• There should be cooperation and consensus among the states.
• However, this alone will not be able to address the different kinds of problems—legal, administrative, constitutional and political—that plague the overall framework.
• Environment is a huge challenge in coming days on which increasing water needs and industrialization requirements to address it serious policy reforms should be done.
• Centre’s proposal to set up an agency alongside the tribunal, which will collect and process data on river waters, can be a right step in this direction.
• To strengthen the cooperative federalism, parochial mindset making regional issues superior to national issues should not be allowed.
• Awareness level between the states.
• So disputes must be resolved by dialogue and talks and the political opportunism must be avoided.
• A robust and transparent institutional framework with cooperative approach is need of the hour.

Conclusion:
• The bill is a step towards the cooperative federalism and will promote a prompt decision making in case of the various interstate water disputes.
• The solutions on water disputes will help in the socio economic development of stakeholder states.
• The implementation of the proposed steps in the bill in its true spirit will develop an integrated regime of river water utilisation.

Source: https://www.youtube.com/watch?v=sB3fTBcb-no

21. SEX ABUSE AND SAFEGUARDING OUR CHILDREN

Introduction:
• Centre government and Supreme Court both have taken firm steps to tackle the rising number of sexual offences against children. Earlier this week Union cabinet approved amendments to strengthen the POCSO Act by including death penalty for aggravated sexual assault on children. Section 14 and 15 of the POCSO Act 2012 will also be amended to address the menace of child pornography. Government has also informed the parliament that 1023 fast track courts will be set up in the country for speedy trial of cases of sexual assault on women and children.
• Supreme Court has also registered a PIL suo moto to shape a concerted and clear national response displaying zero tolerance towards sexual assault of children. As per the data collected through all high courts 24,212 FIRs have been registered from 1st January to 30th June this year across the country on incidents of child rape. Trial has commenced in only 6449 cases put of which only 4 percent have been decided by trial courts.

Amendments in the Protection of Children from Sexual Offences (POCSO) Act, 2012:
Key changes proposed:
• It will make punishment more stringent for committing sexual crimes against children including death penalty.
• It includes **provision of death penalty in cases of sexual offences against children**.
• The amendments also provide for *levy of fines and imprisonment* to curb child pornography.
• Amendments are also proposed to **protect children from sexual offences in times of natural calamities and in other situations where children are administered, in any way, any hormone or any chemical substance, to attain early sexual maturity for the purpose of penetrative sexual assault**.

**Impact:**

• The amendment is expected to discourage the trend of child sexual abuse by acting as a deterrent due to strong penal provisions incorporated in the Act.
• It intends to protect the interest of vulnerable children in times of distress and ensures their safety and dignity.
• The amendment is aimed to establish clarity regarding the aspects of child abuse and punishment thereof.

**POCSO Act:**

The **Protection of Children from Sexual Offences Act (POCSO Act) 2012** was formulated in order to **effectively address sexual abuse and sexual exploitation of children**.

**Role of police:** The Act casts the police in the **role of child protectors** during the investigative process. Thus, the police personnel receiving a report of sexual abuse of a child are given the responsibility of making urgent arrangements for the care and protection of the child, such as obtaining emergency medical treatment for the child and placing the child in a shelter home, and bringing the matter in front of the Child Welfare Committee (CWC), should the need arise.

**Safeguards:** The Act further makes provisions for avoiding the re-victimisation of the child at the hands of the judicial system. It **provides for special courts** that conduct the **trial in-camera and without revealing the identity** of the child, in a manner that is as child-friendly as possible. Hence, the child may have a parent or other trusted person present at the time of testifying and can call for assistance from an interpreter, special educator, or other professional while giving evidence. Above all, the Act stipulates that a **case of child sexual abuse must be disposed of within one year from the date the offence** is reported.

**Mandatory reporting:** The Act also provides for mandatory reporting of sexual offences. This casts a legal duty upon a person who has knowledge that a child has been sexually abused to report the offence; if he fails to do so, he may be punished with six months’ imprisonment and/ or a fine.

**Definitions:** The Act defines a **child as any person below 18 years of age**. It defines different forms of sexual abuse, including penetrative and non-penetrative assault, as well as sexual harassment and pornography. It deems a sexual assault to be “aggravated” under certain circumstances, such as when the abused child is mentally ill or when the abuse is committed by a person in a position of trust or authority like a family member, police officer, teacher, or doctor.

**Challenges:**

• Lack of social awareness among the masses.
• There is advancement of law but it appears that it has no impact because the number of cases is multiplying.
• Problem with implementation of the law.
• Politicization of rape cases on communal grounds.
• As mentioned the rate of conviction under the POSCO act is only 32% as that of past 5 years and pendency is 90%
• Judges do not use the power to announce medical interim compensations to the victims.
• In a *2017 report, “Everyone Blames Me,”* Human Rights Watch found that survivors (of the crime), particularly among marginalized communities, still find it difficult to register police complaints.
• Every case desires media attention equally and not only Unnao and Kathua rape cases.

**Way Forward:**

• Massive awareness should be created among the masses about child’s dignity and about the law in place.
• Along with fast track courts, proper infrastructure and judges capacity should be looked upon.
• Need of ground level work.
• Speedy delivery of justice.
• Proper police training and a dedicated children cell at stations as that of a women cell.
• Need of accountability at each and every level.
• Many Indians – men and women – refuse to believe that sexual violence is a serious problem eating away at India’s vitals. It is essential to recognise that the crisis lies in the precise manner in which the existing criminal justice system unfolds.
• Instant medical relief and compensations should be provided to the victim.
• Strict action must be taken against the police officer found guilty of obstructing the probe or colluding with perpetrators of such cases.
• Providing sex education to children, which is neglected in India. This makes them more aware of various protective laws, good touch-bad touch etc.

Conclusion:
• Society itself will have to take the responsibility of giving it the right direction. Without this, we cannot achieve all the promise that we had as a nation at the time of Independence. We must collectively rise to the occasion and create a safe India for our children.

Source: [https://www.youtube.com/watch?v=vnFtO8ERV5w](https://www.youtube.com/watch?v=vnFtO8ERV5w)

### 22. FLOODS AND RIVER LINKING

**Introduction:**
• Some northern Indian states could receive rainfall during the next 4-5 days, but monsoon activity could be subdued in Madhya Pradesh, Chhattisgarh, Gujarat, Rajasthan, Maharashtra’s interiors, Andhra Pradesh and Telangana in the next 3-4 days, the India Meteorological Department said on Sunday. After recording above normal rains between July 6 and July 11, monsoon appears to be slowing down, sparking concerns in the agriculture sector, according to experts. Overall rainfall deficiency in the country till last Sunday was 12.5% over the long period average, an improvement from June’s 33% — the highest deficiency in June in four years. The sluggish monsoon has impacted the sowing of summer crops. But in northeastern India, floods have caused widespread damage, with several lives being lost as a result of flooding.

• The interlinking project aims to link India’s rivers by a network of reservoirs and canals that will allow for their water capacities to be shared and redistributed. According to some, this is an engineered panacea that will reduce persistent floods in some parts and water shortages in other parts besides facilitating the generation of hydroelectricity for an increasingly power hungry country.

**Components:**
• Since the 1980s, the interlinking project has been managed by India’s National Water Development Agency (NWDA) under the Ministry of Water Resources. It has been split into three parts:
  (i) A northern Himalayan rivers interlink component.
  (ii) A southern peninsular component.
  (iii) An intra-State rivers linking component.

• The NWDA has studied and prepared reports on 14 projects for the Himalayan region, 16 projects for the peninsular India component and 36 intra-State river interlinking projects. However, various governments have shelved the idea for a number of reasons.

**Why this is a good idea?**
• India receives most of its rain during monsoon season from June to September, most of it falls in northern and eastern part of India, the amount of rainfall in southern and western part are comparatively low. It will be these places which will have shortage of water. Interlinking of rivers will help these areas to have water throughout the year.

• This will cut farmers dependence on monsoon rains by bringing millions of hectares of cultivatable land under irrigation.

• Crop productivity would increase and so would revenues for the State.

• Even one bad monsoon has a direct and debilitating economic impact.

• The river linking project will ease the water shortages in western and southern India while mitigating the impacts of recurrent floods in eastern India.
• The Ganga Basin, Brahmaputra basin sees floods almost every year. In order to avoid this, the water from these areas has to be diverted to other areas where there is scarcity of water. This can be achieved by linking the rivers. There is a two way advantage with this – floods will be controlled and scarcity of water will be reduced.
• Simultaneous floods and droughts continue to wreak havoc, destroying the lives and livelihoods of millions.
• India needs clean energy to fuel its development processes, and river water can be leveraged for this.
• Fulfilling water needs impact socio-economic life of people which will help end poverty.
• Need for interlinking of rivers to prevent inter-state water disputes.
• Potential benefits to transportation through navigation, as well as broadening income sources in rural areas through fishing.

Critics argue that:
• The idea that river linking would allow us to cope with flood in the north east and shortage of water in the Deccan is the positive aspect as pointed earlier but misleading one too. This floods come at the time when most parts of the country run short of water, we need to hold the water somewhere to use it in dry season but the amount of flowing in the short period of time in Brahmaputra and Ganga is so huge to store and use it later.
• Interlinking of rivers is a very expensive proposal. The amount required for these projects is so huge that government will have to take loans from the foreign sources which would increase the burden on the government and country will fall in a debt trap.
• The river interlinking project will adversely affect land, forests, biodiversity, rivers and the livelihood of millions of people.
• The Ken-Betwa link threatens about 200 sq. km of the Panna tiger reserve.
• Interlinking of rivers will lead to destruction of forests, wetlands and local water bodies, which are major groundwater recharge mechanisms.
• Less than positive experience that other countries have, like diversion of Amu Darya and the Syr Darya or the Australia’s experiments in its Murray Darling basin.
• It causes massive displacement of people. Huge burden on the government to deal with the issue of rehabilitation of displaced people.
• Due to interlinking of rivers, there will be decrease in the amount of fresh water entering seas and this will cause a serious threat to the marine life.
• The Shah committee pointed out that the linking of rivers will affect natural supply of nutrients for agricultural lands through curtailing flooding of downstream areas.

Challenges:
• India has 18 percent of the world’s population but only 4 percent of the usable water resources.
• Variability in rainfall is high which is the main source in the country, flood and drought simultaneously within the states of Bihar and Maharashtra.
• Irrigation potential from interlinking rivers will have limited impact. The net national irrigated area from big dams has decreased and India’s irrigated area has gone up primarily due to groundwater.
• We don’t have River basin plan yet in place.
• Large hydropower projects are no longer a viable option in India.
• Storing large quantities of waters. Most of the sites suitable for the big reservoirs are in Nepal, Bhutan and in the North-East—who are in opposition to big storage reservoirs.
• Water has now become a political issue.
• There are political challenges as well. Water transfer and water sharing are sensitive subjects.
• If the glaciers don’t sustain their glacier mass due to climate change, the interlinking project will have limited benefit.
• Usually rivers change their course and direction in about 100 years and if this happens after interlinking, then the project will not be feasible for a longer run.

Way Forward:
• To look at water as a strategic resource for development.
• Environment is one issue where anyone of us should be concerned about.
• Best practices done by China and neighboring countries needs to be looked upon.
• The biggest, cheapest, most benign, possibly fastest and most decentralized storage option for India is the groundwater
• Invest in **water conservation, more efficient irrigation and better farm practices.**
• **Recycling** of water for internal usage as that of Israel.
• We need a **mandatory enforceable river policy** aimed at treating rivers as national treasure.
• Accumulation of silt in huge quantities, particularly the Ganga and its tributaries. These rivers need to be desilted.
• River linking in the south and other parts which was undertaken in the past has been going well so such model needs to be taken forward.
• Planting trees on the river banks is one way of bringing life back to the rivers.
• Forest catchments will need to be restored, wastewater from industries and towns will need to be treated, sand mining need to be stopped.
• Need to build the responsibility, capability and accountability in our water management institutions to revive our rivers.
• The judicious use of canal water, growing crops that are appropriate to a region, encouraging drip irrigation and reviving traditional systems such as tanks.

**Conclusion:**

• The river linking project is a great challenge and an opportunity to address the water issues arising out of climate change. The long-term solution to water scarcity lies in making the IRL project work by building a network of dams and canals across the length and breadth of the country. However, interlinking has to take place after a detailed study so that does not cause any problem to the environment or aquatic life.

Source: [https://www.youtube.com/watch?v=h2kAfeaD0sU](https://www.youtube.com/watch?v=h2kAfeaD0sU)

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**23. AFGHANISTAN TALKS HIT ROADBLOCK**

**Introduction:**

• U.S. Secretary of State Mike Pompeo called Afghan President Ashraf Ghani to express disappointment over the postponement of talks with the Taliban and to condemn the insurgent group’s recent announcement of a “spring offensive.” Some 250 Afghan politicians and civil society figures had been due to meet with Taliban negotiators in Doha for the intra-Afghan dialogue. It would have marked the first time that Taliban and Kabul government officials sat together. But the meetings were abruptly cancelled amid disagreements about the size and composition of the Afghan delegation. The US State Department said in a statement that Pompeo called Ghani and condemned the Taliban’s announcement of starting another offensive in the spring. Pompeo also said that the talks present an important opportunity to advance peace

• The **US policy on Afghanistan in 2017** was considered a paradigm shift. Its core objectives were to help the Afghan National Defence and Security Forces stabilize the security situation, gain the momentum against the Taliban, and prevent the Islamic State from gaining a foothold in Afghanistan.

• However, the decision to withdraw the troops. Such decisions have once again underscored Trump’s unmatched tendency to shock his own administration for pursuing an isolationist and anti-interventionist foreign policy to appease its core political base.

**Impacts on India’s strategic interests due to America’s withdrawal:**

• **Rise of Taliban:**
  - India has two main interests in Afghanistan, which are, preventing any extremist group from taking over Afghanistan, and maintaining economic cooperation with the Afghan government and civil society.
  - The Taliban has **refused to negotiate with the current Afghan regime**, deeming it to be illegitimate.
  - The fears of Afghanistan returning to its **heroin-sustained war-lordism** are high probability.

• **Increased Pakistan leverage:**
  - The reason for Taliban’s resilience is the support and succour it receives from Rawalpindi. Pakistan’s leverage in Afghanistan is set to grow.
India’s Afghanistan policy has a major objective to curtail Islamabad’s influence in Kabul and deny Pakistan’s state and non-state agents leverage to plot against Indian interests.

- **Instable Kashmir:**
  - The US withdrawing troops from Afghanistan could affect the Kashmir Valley as terrorist outfits may feel empowered.

- **Geopolitics in Asian Heartland:**
  - India’s problems are exacerbated because American withdrawal comes at a time when its views on Afghanistan are at significant variance with other traditional regional partners like Russia and Iran.
  - China is already making inroads into Afghanistan with her BRI project. The process will be further easier.
  - Turkey is also eying an opportunity to play its role to safeguard the interests of Afghanistan’s Turkmen-Turkic community

- **Commercial Interests:**
  - India’s Afghanistan policy’s another objective is to gain access to vast energy markets in Central Asia, is also at stake.
  - India has presence in Afghanistan after the construction of the Chabahar Port in Iran and the highway that links it to Kabul.
  - Indian infrastructure projects of Salma dam, Parliament building, infrastructure projects will be at stake.
  - The recently started trade initiative between Afghanistan and India will be wiped out.

**Why Afghanistan is important for India?**

- Afghanistan serves India’s security and economic interests.
- Afghanistan is tied to India’s vision of being a regional leader and a great power, coupled with its competition with China over resources and its need to counter Pakistani influence.
- India’s ability to mentor a nascent democracy will go a long way to demonstrate to the world that India is indeed a major power, especially a responsible one.
- The pipeline project TAPI (Turkmenistan-Afghanistan-Pakistan-India), which seeks to connect an energy-rich Central to South Asia, will only see the light of the day if stability is established in Afghanistan.
- India’s interest in Afghanistan relates to its need to reduce Pakistani influence in the region.
- New Delhi needs Kabul to get a better view of Islamabad and hence it is pertinent that it fosters positive relations.
- For access to the landlocked Central Asian countries that border Afghanistan.
- The country is home to resource deposits worth one trillion dollars, according to the US Geological Survey.

**India’s policy towards peaceful Afghanistan:**

- India’s development assistance has been the source of its considerable influence and goodwill among Afghan citizens.
- Major projects, such as the Salma Dam and Parliament building in Kabul, that began in 2008-09, have now been completed.
- Last year India and Afghanistan agreed to initiate an ambitious and forward-looking ‘New Development Partnership’, according to which India agreed to take up 116 high-impact community development projects to be implemented in 31 provinces of Afghanistan, including in the fields of education, health, agriculture, irrigation, drinking water, renewable energy, flood control, micro-hydropower, sports infrastructure and administrative infrastructure.
- India has been giving a lot of non-lethal military assistance. In 2016 four MI 25 attack helicopters were given to Afghanistan.
- India is the biggest regional donor to Afghanistan and fifth largest donor globally with over $3 billion in assistance.
- India has built over 200 public and private schools, sponsors scholarships and hosts Afghan students.
- India has shied away from involving itself in full scale war in Afghanistan.
India needs to reassess the policy due to the complexity in the situation of Afghanistan due to the following reasons:

- **Continuous attacks** -
  - Recently there has been a spike in violence, with the Taliban carrying out a set of coordinated assaults around Afghanistan, rejecting an offer of a three-month ceasefire by President of Afghanistan and laying siege to Ghazni city.
  - The violence this year has also put 2018 on course to be the deadliest year for Afghan civilians, with an average of nine people killed every day, according to UN data.

- **Pakistan factor** -
  - The major challenge is the cooperation of regional players. Peace in Afghanistan and the wider region can only be achieved through a multilateral mechanism involving the US as well as major regional players, including Pakistan, Russia, Iran, China, India and Saudi Arabia.
  - Despite six months of concerted American punitive actions on Islamabad, the Pakistan establishment is not shutting down support for Taliban fighters.

- **US role** -
  - A period of adjustment has become essential following US President unilateral announcement that US is pulling its troops out of the conflict-ridden country.
  - Another development is the “framework” deal between the US and Afghan Taliban after six days of discussions at Doha.
  - The Afghan war has already become the longest war in US history. With the passage of time, the conflict has not only become more intense – it has also become more complicated.

- **Iran factor** -
  - US administration’s collision course with Iran is another hurdle to realising its South Asia policy. Iran is a neighbour to both Afghanistan and Pakistan, and any action against Tehran will have consequences on the region.
  - US is also against Iran which is important to give access to the sea to landlocked Afghanistan through Chabahar port - which is in India’s interests etc.

- **Islamic state** -
  - After losing occupied territories in and around Mosul, IS is now slowly enlarging its presence in neighbouring countries, particularly Afghanistan. It is now targeting mainly the Shias and the Hazara minority, joining forces with the Taliban thereby changing the dynamics of the war in Afghanistan.

- **Russia** -
  - Russia proposed an international conference on Afghanistan with the participation of all neighbours of Afghanistan including Iran, Pakistan, and India, but the US did not attend citing possible growing Russian military association with the Taliban.

- **Control of Afghan government** -
  - The Afghan government controls barely half the country, with one-sixth under Taliban control and the rest contested.
  - Most significant is the ongoing depletion in the Afghan security forces because of casualties, desertions and a growing reluctance to join.
  - Afghanistan launched the Kabul Process for Peace and Security Cooperation and also made an unconditional dialogue offer to the Taliban. The Taliban rejected his overture, declaring that they were ready to engage in direct talks only with the Americans.

**Indian interests would be hurt**:

- India is completely anchored on President Ghani and that is our limitation too because Ghani is getting marginalized and due to which India too is getting marginalized.
- More fighting and political instability in Afghanistan would be damaging, as much for Indian interests as for regional stability.
- Delhi is concerned about the vital role that all the powers are giving to Pakistan. Iran and Russia, two of India’s closest allies during the Northern Alliance’s battle against the Taliban regime in the 1990s, seem out of sync with Indian interests.
• An emboldened Taliban is sure to impinge on security scenario in India’s troubled Kashmir Valley. The outfit seems positioned to emerge as the ideological bulwark of Kashmir’s renewed insurgency.

• US criticism of India’s Afghan policy and his plans to exit could cast serious doubt on the US’s role as a strategic ally for India.

What should India do:-

• India must focus on assisting Afghanistan in every manner possible to ensure that the country’s sorts are as peaceful and participative as possible.

• Afghan Centric Peace Process, day by day Taliban is getting its hold strong in which Pakistan plays double role.

• On the military front as well, India must move quickly to provide helicopters as well as engineering/tech support for Afghan hardware.

• Indian government must realise that its consistent undermining of the South Asian Association for Regional Cooperation (SAARC) because of problems with Pakistan is also weakening Afghanistan’s engagement with the subcontinent, which India had worked hard to foster

• For regional security there must be closer involvement of regional powers in international efforts to ensure non-interference and a stable Afghanistan; this also requires involvement of the Central Asian Republics, which border Afghanistan. It is important for India to coordinate its efforts with those of Russia and Iran to ensure success.

Way Forward:

• The U.S.’s eventual pullout as Afghanistan’s peacekeeper is inevitable, close bilateral consultations should be made to help Afghanistan according to its own needs.

• Afghanistan is strategically important to Russia( North South corridor passes through it), China(Xiajiang province which is muslim dominated area shares border), Pakistan(strategic depth), Iran(Chabahar port and gateway).

• India has always supported for Afghanistan’s democracy. Use of her ‘soft power’ – ranging from telecommunications to education, community development programmes can be pushed forward.

• We need to have dialogue on serious note with China and Russia and also try convincing Americans about the negatives of withdrawal of them.

• Playing a larger role in regional security would enhance the status of India as regional powers as well as the stability of South, Central, and West Asia.

• Russia, Iran, China and India should coordinate together to deal with the problem.

• India must seek to build capacities and capabilities of Afghan nationals and its institutions for governance and delivery of public service, develop socio-economic infrastructure, secure lives and promote livelihood.

• We should be assertive and become a partner to resolve the issue rather than being a sidewatcher.

• Inactive SAARC must now be revived to strengthen the regional co-operation in South Asia.

• Tier-II diplomacy and involving other stakeholders: India, which has been against holding talks with the Taliban for a long time, finally sent two retired diplomats, at the ‘non-official level’, to join them at the Moscow peace talks.

• Continuing the efforts of implementing mega infrastructure projects, providing military equipments and training to Afghan personnel on the sidelines.

• Use of regional groupings like SCO to combat the terrorism emanating from Afghanistan.

Conclusion:

• Echoing the Afghan stand, India has been asserting that the peace process must be “Afghan-led, Afghan-owned and Afghan-controlled.”

Source: https://www.youtube.com/watch?v=KcrXycgb9I
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Introduction:

- Indian economy in the times when major economies around the world are seeing slow growth rate, the International Monetary Fund (IMF) pegged India’s economic growth forecasts for India to 7.3 per cent for FY 2020 and 7.5 per cent for the next fiscal. The IMF report also cited continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.
- It, however, said that in the near term, continued fiscal consolidation is needed to bring down India’s elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies.
- The IMF also commended the government for taking steps to strengthen financial sector balance sheets through accelerated resolution of non-performing assets (NPAs) under a simplified bankruptcy framework.
- The report though argued that global growth which peaked at close to 4 per cent in 2017, dropped to 3.6 per cent in 2018 and is projected to fall further to 3.3 per cent in 2019.
- The International Monetary Fund (IMF) cut India’s GDP growth forecast for 2019-20, following similar action by the Asian Development Bank (ADB) and the Reserve Bank of India (RBI).
- In India, growth is projected to pick up to 7.3% in 2019 (2019-20) and 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.
- IMF’s downward revisions in India’s growth forecasts are 20 basis points each in 2019-20 and 2020-21 from its outlook released in January.
- One basis point is one-hundredth of a percentage point.
- Both ADB and RBI cut their 2019-20 growth projection for India to 7.2% from 7.4% earlier, blaming rising risks to global economic growth as well as weakening domestic investment activity.
- The Indian economy grew 6.6% in the December quarter, the slowest in five quarters. That prompted the Central Statistics Office (CSO) to trim its 2018-19 forecast to 7% in February from 7.2% estimated.
- With the Indian economy projected to slow down further in the fiscal fourth quarter, the central bank’s focus has shifted from inflationary concerns to sustaining the growth momentum. RBI effected two back-to-back rate cuts of 25 basis points each to boost growth.
- Of the high-frequency indicators of industry, growth in the manufacturing component of the index of industrial production slowed to 1.3% in January. Growth of eight core industries remained sluggish at 2.1% in February. Data released by the Society of Indian Automobile Manufacturers on Monday signalled a slowdown in urban demand as car sales grew 2.7% in 2018-19, the worst performance in five financial years.

Agenda for the government:

- Setting the agenda for the government, IMF said continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the Indian economy’s growth prospects.
- “In the near term, continued fiscal consolidation is needed to bring down India’s elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies,” IMF said in its World Economic Outlook.
- The report emphasized enhancing governance of public sector banks and reforms to hiring and dismissal regulations that would incentivize job creation and absorb the country’s large demographic dividend. “Efforts should also be enhanced on land reform to facilitate and expedite infrastructure development,” the report stated.
- IMF commended the government for taking steps to strengthen financial sector balance sheets through accelerated resolution of non-performing assets (NPAs) under a simplified bankruptcy framework.

Global Risks:

- IMF also cut its global growth forecast for 2019 by 20 basis points to 3.3%—the lowest since the financial crisis in 2008—blaming trade tensions between the US and China, loss of momentum in Europe and
uncertainty surrounding Brexit. It, however, raised China’s GDP growth outlook by 10 basis points to 6.3% for 2019.

• Beyond 2020, the report said global growth would be sustained at about 3.6% because of the increase in the relative size of economies such as China and India, which are projected to have robust growth.
• Growth in India is expected to stabilize at just under 7.75% over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks.
• IMF chief economist Gita Gopinath said global growth should rebound if the downside risks do not materialize and the policy support that is put in place is effective.
• “If, however, any of the major risks materialize, then the expected recoveries in stressed economies, export-dependent economies and highly indebted economies may be derailed. In that case, policymakers will need to adjust. Depending on circumstances, this may require synchronized, though country-specific fiscal stimulus across economies, complemented by accommodative monetary policy,” she added.
• $3-Trillion Economy: According to IMF’s October 2018 data, FY20 GDP is seen at $2.958 trillion, adjusting for revisions it should be slightly short. However, India’s own assessment presented in the budget sees GDP at Rs 210 trillion, which translates to slightly more than $3 trillion

India Tops Remittances List

• India received $79 million in remittances from its diaspora in 2018 possibly due to financial help following the Kerala floods, the World Bank said Monday. India was followed by China at $67 billion, Mexico $36 billion and the Philippines $34 billion.
• “Remittances grew by more than 14% in India, where a flooding disaster in Kerala likely boosted the financial help that migrants sent to families,” the bank said. India’s remittances had increased from $62.7 billion in 2016 to $65.3 billion 2017.

Contributing factors in the growth of the economy:

• Report actually says that the economy is doing extremely well and it is one of the fastest going economy.
• Largest contributor to the growth is United states which is growing at 4%.
• The economy Europe has seen slowdown.
• So far we are driven by consumption.
• Others factors are discussed above.

Challenges:

• We need to work on creating jobs.
• Farmers distress- Prices in the farm output has been extremely low.
• Farm loan waiver is not the solution because it further stresses the banks which are under serious NPA problem.
• Services sector has been growing much in the informal sector than the formal sector.
• Since report highlight global slowdown we need to boost the investment which may fall too.

Way Forward:

• Need of land reforms.
• Need of labour reforms.
• Need of Judicial reforms.
• Need of market reforms in the agricultural sector.
• Rural wages and credit needs to be improved for improving the consumption in rural sectors.
• Bring investment into the economy and increase the consumption.
• We need to concentrate more on the growth of domestic economy.
• Give opportunities for private sector to pick speed.
• Speed up the resolution of NPAs and a simplified bankruptcy framework.
• Enhancing governance of public sector banks.

Source: https://www.youtube.com/watch?v=lqeH61C-uHg
25. TERROR THROUGH TRADE

Introduction:

• In a significant move to further crackdown on terror, India indefinitely suspended cross-LoC trade in Jammu and Kashmir. The decision, came amid reports that it was being misused by elements from across the border to smuggle weapons, narcotics as well as fake currency. The official statement released by the Ministry of Home Affairs said orders have been issued for halting the trade at Salamabad of Baramulla in the Kashmir region, and Chakkan-da-Bagh of Poonch district in the Jammu region. The crackdown comes two months after India withdrew the Most Favoured Nation status to Pakistan in the wake of the dastardly Pulwama terror attack. Although the MHA statement asserts that the decision will be revisited after stricter regulatory mechanisms are put in place to ensure that “only bonafide trade” takes place, which benefits the people of Jammu and Kashmir and does not pose a security threat to the country.

• The consistent violation of Ceasefire, pumping in of terrorists, the recent incident of hostage crisis of Indian Air force Lt. Commander have together resulted in this decision.

Importance of LoC trade:

• The trade survived major political crises during the last decade emphasizing the importance of economics of the people on either sides of the region.

• The annual trade volume cranked up to Rs 3,500 crore last year despite hostility between Indian and Pakistani Governments.

• This was almost evenly split between goods “traded out” and “traded in”. This with a truncated list of barely two dozen commodities. The business potential stands well established.

• It is a model of regional economic integration that could have been replicated in the Subcontinent. For instance, Tamil Nadu could develop similar trade links with Sri Lanka, the two Punjabs could build a mutually beneficial economic interdependence, as might West Bengal and Bangladesh or parts of Rajasthan and Sindh.

• As against regional cooperation between governments, this one is a process that binds the societies and economies of neighbouring countries together much more closely.

• Going beyond economics, the essence of LoC trade was to extend the familial and social interconnectedness into the arena of business and commerce.

Why do India and Pakistan resort to informal trade?

• Informal trade between countries happens through a third country. The third country will officially (formal trade) buy the goods from one country and sell it to the other country at a higher price.

• This price is still lower than the price at which formal trading would happen.

• For example, in the case of India and Pakistan, India-Dubai-Pakistan is the main channel for informal trading.

• Trade is recorded between India and UAE and between Pakistan and UAE, but is not recorded between India and Pakistan.

• The trade is allowed through two trade facilitation centres located at (1) Salamabad, Uri, District Baramulla and (2) Chakkan-da-Bagh, District Poonch.

• As per a study by ICRIER, informal trade between the two countries in 2012-13 was almost double the value of formal trade, and most of this was routed through a third country.

Reasons for cessation of LoC trade:

• Guillotining the trade appeared a thoughtless action.

What is LoC?

• Originally known as the Cease-fire Line, it was redesignated as the “Line of Control” following the Simla Agreement, which was signed on 3 July 1972.

• The part of Jammu that is under Indian control is known as the state of Jammu and Kashmir. The Pakistan-controlled part is divided into Azad Jammu and Kashmir and Gilgit–Baltistan. The northernmost point of the Line of Control is known as NJ9842.

• Another ceasefire line separates the Indian-controlled state of Jammu and Kashmir from the Chinese-controlled area known as Aksai Chin.

• The Line of Control divided Kashmir into two parts and closed the Jehlum valley route.
• LoC trade is being misused on very large scale. It has been revealed that the trade has changed its character to mostly third party trade and products from other regions, including foreign countries, are finding their way through this route.
• Unscrupulous and anti national elements are using the route as a conduit for Hawala money, drugs and weapons, under the garb of this trade.
• Significant number of trading concerns engaged in LoC trade are being operated by persons closely associated with banned terrorist organizations involved in fuelling terrorism/separatism.
• Some individuals have crossed over to Pakistan, and joined militant organizations. Trading firms established by them are under the control of militant organizations and are engaged in LoC trade.
• The timing and method suggest a hidden agenda linked to the issue of Article 35A. For this trade was meant only for locally-produced goods to be traded by local traders; in other words, “state subjects”, a category that the present dispensation wants to get rid of.
• The stated reasons for the drastic action are that the trade was being “misused” for fake currency, weapon supply and narcotics. Incidentally, as soon as the trade was started, traders from Amritsar and Lahore started the bogey of LoC trade being a conduit for fake currency and hawala operations.

LoC Trade: Kashmir specific confidence building measures:
• Compared to the cross LoC bus service that was flagged off with much fanfare in 2005, cross-LoC trade between Jammu and Kashmir and Pakistan Occupied Kashmir got off to a low-profile start, receiving little attention at the time in India or Pakistan.
• In diplomatic parlance, these two measures are categorised as “Kashmir specific confidence building measures”.
• It then flowed out of backchannel negotiations between India and Pakistan on a resolution to Kashmir, in the belief that this would then give both sides legroom to “remake” India-Pakistan relations.

Cross-LoC trade is one of the Four point proposal:
• Specifically, these measures seems to have originated in a four-point proposal for Kashmir that began to get regular airing from about 2005 from then military ruler General Pervez Musharraf. The four points were:
  (i) The LoC will stay but Kashmiris on both sides will be allowed to move freely back and forth;
  (ii) self-governance or autonomy to the region, but not independence;
  (iii) gradual demilitarisation on both sides;
  (iv) a joint supervision mechanism with India, Pakistan and Kashmir represented on it.

Potential of Loc Trade:
• To start with, this trade was meant to result in interaction between people and help build partnerships across the two parts of J&K.
• In the second phase, it would have progressed into an economic and commercial interdependence between the two parts of J&K.
• Finally, it would result in a network of institutions like banks, trade bodies, and regulators across the LoC aligning with each other.
• An institutionalisation of relations would automatically happen. In this process, a constituency of commerce for peace and normalisation of relations between India and Pakistan would be built.
• LoC trade was a major Confidence Building Mechanism, and a step towards the resolution of the impending issue of Kashmir crisis.

Way forward:
• The ban should be continued till the last vestiges of terrorism are eliminated from the country, otherwise much stricter monitoring of cross LoC trade is necessary if it ever has to be resumed in future.
• A financing mechanism comprising of a banking arrangement and payments system is complex but the most critical of the five networks.
• Need to look at the illegal trade route that runs through Dubai and Singapore.
• A creative solution, which avoids the minefields of sovereignty, political control, medium of exchange, its risk, and credit arrangements, has to be worked out.
• India needs to put economic pressure on Pakistan to make it change its thought process and can even consider breaking social ties.
• A communication system for reliable transmission of information as a decision support system.
• Fight against terror should be a national approach.
• A transport and logistics network for off-take and delivery, a regulatory framework for ensuring legitimate transactions and banning contrabands.
• A legal mechanism for dispute resolution and settlement.

Conclusion:
• The three progressions — interactions, interdependence and institutionalisation — would, over time, make the LoC less of a barrier by forging a functional unification between the two parts of J&K; a de facto unification without disturbing the sovereignty claims and the de jure political status of either side.

26. ONE NATION ONE RATION CARD

Introduction:
• ‘One Nation One Ration Card’ scheme, which will allow portability of food security benefits, will be available across the country. This means poor migrant workers will be able to buy subsidised rice and wheat from any ration shop in the country.
• Currently Andhra Pradesh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Rajasthan, Telangana and Tripura are 10 states where 100% point of sale (POS) machine have been arranged and all PDS shops have been connected to the internet.

Ration Card:
• Ration cards are an official document issued by state governments in India to households that are eligible to purchase subsidized food grain from the Public Distribution System (under the National Food Security Act). They also serve as a common form of identification for many Indians.
• Under the National Food Security Act, all state governments in India have to identify households that are eligible for purchasing subsidized food grain from the Public Distribution System and provide them with ration cards. There are two types of ration cards under NFSA:
  o Priority ration card — priority ration cards are issued to households that meet the eligibility criteria set by their state government. Each priority household is entitled to 5 kilograms of food grain per member.
  o Antyodaya (AAY) ration cards are issued to “poorest of poor” households. Each AAY household is entitled to 35 kilograms of food grain.

Before the NFSA was enacted, there were three types of ration cards
  o Above Poverty Line (APL) ration cards that were issued to households living above the poverty line Planning Commission. These households received 15 kilogram of food grain (based on availability).
  o Below Poverty Line (BPL) ration cards that were issued to households living below the poverty line.
    These households received 25-35 kilograms of food grain.
  o Antyodaya (AAY) ration cards that were issued to “poorest of poor” households. These households received 35 kilograms of food grain.

National Food Security Act (NFSA), 2013:
• As passed by the Parliament, Government has notified the National Food Security Act, 2013 on 10th September, 2013.
• The objective is to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity.
• Key features:
  • The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population.
  • The eligible persons will be entitled to receive 5 Kgs of foodgrains per person per month at subsidised prices of Rs. 3/2/1 per Kg for rice/wheat/coarse grains.
  • The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 Kgs of foodgrains per household per month.
• The Act also has a special focus on the nutritional support to women and children. Besides meal to pregnant women and lactating mothers during pregnancy and six months after the child birth, such women will also be entitled to receive maternity benefit of not less than Rs. 6,000.

• Children upto 14 years of age will be entitled to nutritious meals as per the prescribed nutritional standards.

• In case of non-supply of entitled foodgrains or meals, the beneficiaries will receive food security allowance.

• The Act also contains provisions for setting up of grievance redressal mechanism at the District and State levels.

• Separate provisions have also been made in the Act for ensuring transparency and accountability.

Why ensure food security?

• The basic concept of food security globally is to ensure that all people, at all times, should get access to the basic food for their active and healthy life and is characterized by availability, access, utilization and stability of food.

• Though the Indian Constitution does not have any explicit provision regarding right to food, the fundamental right to life enshrined in Article 21 of the Constitution may be interpreted to include right to live with human dignity, which may include the right to food and other basic necessities.

One Nation One Ration Card

• The scheme will ensure all beneficiaries especially migrants can access PDS across the nation from any PDS shop of their own choice.

• Inter state portability of ration card.

Benefits:

• No poor person is deprived of getting subsidised foodgrains under the food security scheme when they shift from one place to another. It also aims to remove the chance of anyone holding more than one ration card to avail benefits from different states.

• Important for migrant workers.

• Add to the nutrition value to the poor consumers.

• Add to integration of the country.

Significance:

• This will provide freedom to the beneficiaries as they will not be tied to any one PDS shop and reduce their dependence on shop owners and curtail instances of corruption.

• Linking with Aadhaar removes possibility of corruption.

• No additional cost actually because the scheme goes on the entitlements that are mandated in the National Food Security Act.

Challenges:

• Prone to corruption: Every state has its own rules for Public Distribution System (PDS). If ‘One Nation, One Ration Card’ is implemented, it will further boost corruption in an already corrupted Public Distribution System. The explanation given to this is that with the help of technology govt is de-duplicating the ration cards.

• The scheme will increase the woes of the common man and, the middlemen and corrupt PDS shop owners will exploit them.

• Tamil Nadu has opposed the proposal of the Centre, saying it would result in undesirable consequences and is against federalism.

• Within some states issue of intra state portability.

• Different states have different rates and this mismatching rates will be a big challenge.

Source: https://www.youtube.com/watch?v=Syw40lRX_s0

27. AERA (AMENDMENT) BILL, 2019
• The Rajya Sabha passed the **Airports Economic Regulatory Authority of India (Amendment) Bill, 2019** that seeks to raise threshold for an airport to qualify as ‘major airport’ and hence reducing the tariff-fixing power of airport regulator to a fewer airports. The Bill was passed after discussion and reply on it by Civil Aviation Minister Hardeep Singh Puri.

• Currently, an airport with annual passenger traffic of 15 lakh or more is defined as major airport and tariff at such airports are determined by Airports Economic Regulatory Authority of India (AERA). The Bill raises the threshold traffic to 35 lakh, so, many airports would come out of the purview of the regulator.

• Once the Bill becomes an Act, many airports for which various fees such as landing and parking charges which are currently determined by AERA will go. Tariff at these airports would be determined by the Ministry of Civil Aviation. The amendment also empowers the Aviation Ministry to bid out airport projects on the basis of pre-determined tariff.

**Airports Economic Regulatory Authority:**

• The **Airports Economic Regulatory Authority (AERA)** is a statutory body constituted under the Airports Economic Regulatory Authority of India Act, 2008.

• The statutory functions of the AERA as enshrined in the Airports Economic Regulatory Authority of India Act, 2008 are as below:
  
  - **To determine the tariff for the aeronautical services taking into consideration:**
    
    - The capital expenditure incurred and timely investment in improvement of airport facilities.
    - The service provided, its quality and other relevant factors.
    - The cost for improving efficiency.
    - Economic and viable operation of major airports.
    - Revenue received from services other than the aeronautical services.
    - The concession offered by the Central Government in any agreement or memorandum of understanding or otherwise.
    - Any other factor which may be relevant for the purposes of this Act.
  
  - **To determine the amount of the Development Fees** in respect of major airports.
  
  - **To determine** the amount of the **Passengers Service Fee** levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934.
  
  - **To monitor** the set **Performance Standards** relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf.
  
  - To call for such information as may be necessary to **determine** the **tariff under clause (a)**.

  - **To perform such other functions relating to tariff**, as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act.

**What changes are being proposed in the Bill?**

The Bill seeks to do two things:

1. **Definition of major airports:** Currently, the AERA Act defines a major airport as one with annual passenger traffic over 15 lakh, or any other airports as notified by the central government. The Bill increases the threshold of annual passenger traffic for major airports to over 35 lakh.

2. **Tariff determination by AERA:** Under the Act, AERA is responsible for determining the: (i) tariff for aeronautical services every five years, (ii) development fees, and (iii) passengers service fee. It can also amend the tariffs in the interim period. The Bill adds that AERA will not determine: (i) tariff, (ii) tariff structures, or (iii) development fees, in certain cases. These cases include those where such tariff amounts were a part of the bid document on the basis of which the airport operations were awarded. AERA will be consulted (by the concessioning authority, the Ministry of Civil Aviation) before incorporating such tariffs in the bid document, and such tariffs must be notified.

**Why there is need of amendment?**

• The exponential growth of the sector has put tremendous pressure on AERA, while its resources are limited.

• It does not have enough resources to handle the increase in traffic.

• Therefore, if too many airports come under the purview of AERA, it will not be able to perform its functions efficiently.

• All sectors need to contribute to the target of 5 trillion economy.

• To shift the burden from regulator to the government.
• Need of strict regulation in place to handle losses.
• The act will give boost to the industry.

How would the Bill affect the regulatory regime?
• Currently, there are 31 major airports (annual traffic above 15 lakh), and AERA regulates tariffs at 27 of these.
• As per the Bill, AERA will regulate 16 major airports (annual traffic above 35 lakh).
• The remaining 16 airports will be regulated by AAI.
• Till 2030-31, air traffic in the country is expected to grow at an average annual rate of 10-11%.
• This implies that in a few years, the traffic at the other 16 airports will increase to over 35 lakh and they will again fall under the purview of AERA.
• This may lead to constant changes in the regulatory regime at these airports.

List of major airports in India (as on March 2019):

<table>
<thead>
<tr>
<th>Airports with annual traffic above 35 lakh</th>
<th>Airport with annual traffic between 15 and 35 lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ahmedabad</td>
<td>1. Amritsar</td>
</tr>
<tr>
<td>2. Bengaluru</td>
<td>2. Bagdogra</td>
</tr>
<tr>
<td>5. Cochin</td>
<td>5. Coimbatore</td>
</tr>
<tr>
<td>6. Delhi</td>
<td>6. Indore</td>
</tr>
<tr>
<td>7. Goa</td>
<td>7. Madurai*</td>
</tr>
<tr>
<td>8. Guwahati</td>
<td>8. Mangalore</td>
</tr>
<tr>
<td>10. Jaipur</td>
<td>10. Port Blair*</td>
</tr>
<tr>
<td>11. Kolkata</td>
<td>11. Raipur*</td>
</tr>
<tr>
<td>12. Lucknow</td>
<td>12. Ranchi*</td>
</tr>
<tr>
<td>14. Patna</td>
<td>14. Trichy*</td>
</tr>
<tr>
<td>15. Pune</td>
<td>15. Varanasi</td>
</tr>
</tbody>
</table>

* AERA does not regulate tariffs at these airports currently

Criticism:
• Authority of the AERA will reduce.
• Burden may fall on the consumer section.

Way Forward:
• Independent regulator is the need to maintain the desired cost.
• Need to strengthen AERA to handle the increasing capacity.
• The regulator need to work in an efficient manner and cater safety and best performance.
• Technical inputs should be taken wrt to the bill.
• We need one hub India which should be developed as an international hub.

Source: [https://www.youtube.com/watch?v=YR_Tg7rYnRA](https://www.youtube.com/watch?v=YR_Tg7rYnRA)

28. DEMOGRAPHY: ADVANTAGE INDIA

Introduction:
• In many ways, India’s demographics are the envy of the world. As populations in countries such as China, US, and Japan is getting older, India’s population is getting younger. Since 2018, India’s working-age population has grown larger than the dependent population — children aged 14 or below as well as people
above 65 years of age. **This bulge in the working-age population is going to last till 2055, or 37 years from its beginning.**

- India’s working-age population is now increasing because of rapidly declining birth and death rates. India’s age dependency ratio, the ratio of dependents to the working-age population, is expected to only start rising in 2040, as per UN estimates. This presents a golden opportunity for economic growth.
- It is, however, important to note that this change in population structure alone cannot push growth. There are many other factors involved too in it.

**Significance:**

- This transition **happens largely because of a decrease in the total fertility rate** (TFR, which is the number of births per woman) after the increase in life expectancy gets stabilised.
- Many Asian economies — Japan, China, South Korea — were able to use this ‘**demographic dividend**’, defined by the United Nations Population Fund (UNFPA) as the growth potential that results from shifts in a population’s age structure.
- **TFR indicates the average number of children expected to be born to a woman during her reproductive span of 15-49 years.**

**How does TFR vary between urban and rural areas?**

- The total fertility rate has more than halved in both urban and rural areas, falling even below the replacement level in the former where it is 1.7, down from 4.1 in 1971.
- In rural areas, TFR has fallen from 5.4 to 2.4 during the same period. For rural areas, it varies from 1.6 in Delhi and Tamil Nadu to 3.3 in Bihar.
- For urban areas, the variation is from 1.1 in Himachal Pradesh to 2.4 in Uttar Pradesh and Bihar.
- Of the 22 states, only six have a TFR of 2 or more in urban areas. There are 10 states where TFR is below 2 in rural regions.

**Why is TFR falling?**

- Higher education, increased mobility, late marriage, financially independent women and overall prosperity are all contributing to a falling TFR.
- It goes below 2 in both urban and rural areas, where girls complete schooling and reduces further as they pass college. Bihar, with the highest TFR of 3.2, had the maximum percentage of illiterate women at 26.8%, while Kerala, where the literacy rate among women is 99.3%, had among the lowest fertility rates.
- As more cities come up, people move for jobs and employment tenure gets shorter, TFR may fall further.

**What does this mean for policymakers?**

- India has entered a 37-year period of demographic dividend, which could spell faster economic growth and higher productivity.
- As such, the government needs to engineer its policies to harness the opportunity.
- It must also formulate policies to take care of higher medical costs as the population ages and productivity shrinks.
- As more people live away from their parents, India will also need to have an affordable social security system that provides pension to the elderly and takes care of their daily needs and medical expenses.

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What is Demographic Dividend?

- **Demographic dividend, as defined by the United Nations Population Fund (UNFPA) means, “the economic growth potential that can result from shifts in a population’s age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older).”**
- In other words, it is “a boost in economic productivity that occurs when there are growing numbers of people in the workforce relative to the number of dependents.”

What is World Population Prospects 2019?

- **The 2019 revision of the World Population Prospects is the twenty-sixth edition** of the official United Nations population estimates and projections. It presents population estimates from 1950 to the present for 235 countries or areas, underpinned by analyses of historical demographic trends.
- This latest assessment considers the results of 1,690 national population censuses conducted between 1950 and 2018, as well as information from vital registration systems and from 2,700 nationally representative sample surveys.
- **The 2019 revision also presents population projections to the year 2100** that reflect a range of plausible outcomes at the global, regional and country levels.
Reaping out of demographic dividend:

- The output of the economy increases if the number of working population increases.
- The result in the increase of output increases the taxes of the government.
- This in turn increases the aggregate demand in the economy.
- This section will also save money and make higher investment in the economy.

Challenges in the way:

- Different section of the population have unequal access to resources like education and technology.
- Different states have different demographic transition like Kerala and Tamil Nadu are witnessing demographic dividend, Andhra Pradesh and Delhi are opening up the demographic dividend, Bihar and UP are yet to open up.
- Technological change is making labour partially or wholly redundant in a number of sectors, across the world. Even where labour is still necessary, increasing complexity of production requires labourers to have a minimum skill level that is much higher than the skill level required during the labour-intensive output boom in China and South-East Asia in the past decades.
- The infrastructure put up in place in cities are not able to handle migration.
- Dissatisfaction cited are unsecure jobs, low salaries, stressful environment, and mismatch between job and qualification.
- Social and political problem associated with regional disparity.
- Educational imbalances: The quality of primary schooling and teachers in India is very poor. ASER reports show the quality of education among children. Moreover, because modern ailments such as obesity are increasing in many developed countries, there is no guarantee that adult longevity will continue to increase perpetually.
- Female labour force participation has decreased.

Government initiatives:

- Ayushman Bharat with the goal of providing healthcare
- Pension schemes
- Scholarships so that students can be nurtured.
- PM Kisan Samman Nidhi etc.

Way Forward:

To be able to harness the potential of this large working population, which is growing by leaps and bounds, new job generation is a must. The nation needs to create jobs to absorb the addition of young people into the workforce.

- Improved infrastructure, skill development, access to easy finance, reducing barriers to entrepreneurship and forums for mentorship of emerging entrepreneurs in partnership with corporates are some of measures.
- Use of technology in all sectors.
- Need to focus more on primary and secondary education.
- Equally important focus on elderly people.
- The current situation calls for more and better schools, especially in rural areas. It also calls for better transportation links between rural areas and regional urban hubs.
- Increasing the number of formal jobs in labour intensive, export-oriented sectors such as textiles, leather and footwear, gems and jewellery These sectors also have a higher share of the female workforce.
- The government must also ensure better quality of jobs with a focus on matching skill-sets and job opportunities.
- There is a need to look into these qualitative issues of job satisfaction, job profile and skill matching, and the creation of opportunities for entrepreneurship in order to be able to harness the vast potential of human resources.

Conclusion:

- It is imperative that policy-makers deal with the situation on multiple fronts. Universal education, value-added skills accretion and massive growth in employment in the formal sectors should be the key focus areas.
Unfulfilled aspirations of the youth can quickly turn to frustration, leading to violent outbursts. There is also a need to engage with the youth and create an enabling environment for entrepreneurship. Failure to do so would not just mean a missed opportunity in terms of harnessing the demographic dividend, but the ensuing rise in unemployment and poverty could undermine the advances made on the economic front and foment societal upheaval.

Source: [https://www.youtube.com/watch?v=f5fkP_zFjn0](https://www.youtube.com/watch?v=f5fkP_zFjn0)

### 29. EPF REDEFINED

#### Introduction:
- An essential component of savings and pensions in Indian middle class and working class gets redefined after recent orders of Kerala High Court and after the confirmation by a Supreme Court. The Supreme Court dismissed a plea filed against a Kerala High Court order that had asked Employees Provident Fund Organisation to provide pension to all retiring employees. Rather than capping the figure to Rs 15,000 per month. In effect, all retiring employees will now get pension on their full salary instead of the Rs 15,000 cap.
- In September 2018 a division Bench of the High Court of Kerala had nullified the amendments made to the Employees’ Pension Scheme in 2014 after a detailed hearing upon as many as 507 petitions filed by various organisations and individuals challenging the Employees’ Pension (Amendment) Scheme of 2014. According to the new rules, introduced in the year 2014, new employees who earned more than the capped wages that means Rs 15,000 would not be eligible for EPS. The bench comprising CJI Ranjan Gogoi, Justice Deepak Gupta and Justice Sanjiv Khanna dismissed the plea filed by EPFO saying that it finds no merit in the special leave petition and hence, restoring the orders passed by the Kerala High Court.

#### Employees Provident Funds Organisation:
- **EPFO is one of the World’s largest Social Security Organisations** in terms of clientele and the volume of financial transactions undertaken. At present it maintains 17.14 crore accounts (Annual Report 2015-16) pertaining to its members.
- The Employees’ Provident Fund came into existence with the promulgation of the Employees’ Provident Funds Ordinance on the 15th November, 1951. It was replaced by the Employees’ Provident Funds Act, 1952. The Employees’ Provident Funds Bill was introduced in the Parliament 1952 as a Bill to provide for the institution of provident funds for employees in factories and other establishments. The Act is now referred as the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 which extends to the whole of India except Jammu and Kashmir. The Act and Schemes framed there under are administered by a tri-partite Board known as the Central Board of Trustees, Employees’ Provident Fund, consisting of representatives of Government (Both Central and State), Employers, and Employees.
- **The Central Board of Trustees** administers a contributory provident fund, pension scheme and an insurance scheme for the workforce engaged in the organized sector in India. The

### Employees’ Pension Scheme
- The Employees Pension Scheme (EPS) was brought into force in the year of 1995 to cater to the employees of the organized sector.
- The scheme is applicable to all employees who are covered under the Employees Provident Fund (EPF) Scheme.
- Employees covered under this scheme will receive pension on a permanent basis, the pension amounts will eventually pass on to the family members upon the death of the employee.

#### Features of the Scheme
The following are some of the salient features of the Employee Pension Scheme:
- It is a guaranteed pension plan authorized and supported by the Government, wherein the stipulated amount will be remitted to the employee upon retirement, without any changes to the same.
- Employees who are members of the EPF scheme are automatically enrolled into the EPS scheme.
- Every employee whose monthly salary combined with DA is Rs 15,000 or lesser, must enroll into this scheme.
- The monthly pension amount will not be less than Rs 1,000.
- Pensions can be availed when the employee attains the age of 50, but there will be a reduction in the amount of eligible pension.
- The widow/widower of the deceased employee will receive pension upon the employees’ death. Children will receive pension until they attain 25 years of age.
- If the widow/widower opts for a remarriage, the children of the employee will be the recipients of enhanced pension as such children are categorized as orphans.
- Any child who is physically challenged will receive pension for his/her entire lifetime.
Board is assisted by the Employees’ PF Organization (EPFO), consisting of offices at 135 locations across the country. The Organization has a well equipped training set up where officers and employees of the Organization as well as Representatives of the Employers and Employees attend sessions for trainings and seminars. The EPFO is under the administrative control of Ministry of Labour and Employment, Government of India.

- The Board operates three schemes – EPF Scheme 1952, Pension Scheme 1995 (EPS) and Insurance Scheme 1976 (EDLI).

Amendment in EPS in 2014

The following amendments were made under EPS, with effect from 1 September 2014.

- Wage ceiling for the purpose of contribution was revised from INR6,500 to INR15,000 per month.
- New membership to the EPS would be applicable to employees whose pay is less than or equal to INR15,000 per month on the date of membership.
- Maximum pensionable salary for the purpose of calculating monthly pension, earlier limited to wages of INR6,500 was increased to INR15,000.
- The provision in relation to higher contribution towards pension scheme was deleted. The option to contribute to pension on higher wages had to be exercised within six months from 1 September 2014 (extendible by the Employees’ Provident Fund Organisation (EPFO) by an additional six months)
- If the option was not so exercised, the contribution to the pension fund would be calculated only on the wage ceiling.
- The member can contribute towards pension fund over and above the wage ceiling, provided that the Government’s share of contribution i.e. 1.16 per cent per month on the salary exceeding the statutory limit is also paid by such a member.

What was the plea?

- The Special Leave Petition filed against a Kerala High Court order sought to reversal to the rules where pension was provided only to employees retiring with an income up to Rs 15,000 per month.
- According to these rules, new employees who earned more than the capped wages would not be eligible for EPS. Existing employees who were contributing on higher salary could continue to do so provided they made fresh applications along with the employer in a year’s time, failing which their contributions would be restricted to the capped wages.

What was Kerala HC decision in October 2018?

- The Kerala High Court in 2018 had nullified the amendments made to the Employees’ Pension Scheme in 2014.

Supreme Court ruling in 2019:

- In April 2019, the Supreme Court dismissed the SLP11 filed by the EPFO as having no merit.

How will SC order affect people?

- By rejecting the plea, the Supreme Court today upheld the HC order. In effect, all retiring employees will now get pension on their full salary instead of the Rs 15,000 cap.
- The Employees’ Provident Fund is a retirement benefit scheme that was structured to provide financial security to employees of factories and other establishments.
- While 12 per cent of the basic salary and dearness allowance have to be contributed by all employees earning up to Rs 15,000 per month (not mandatory for others), the employer component (12 per cent) has to be contributed mandatorily in case of all employees. The employer’s component is split into EPF (3.67 per cent) and the Employees’ Pension Scheme (8.33 per cent).

Conclusion:

- This is an important ruling which may have significant implications for employees / employers covered under the EPF Act.
- This ruling could help employees in contributing towards the pension fund on higher wages. A large number of employees/ employers may start approaching EPFO to enhance their contribution on EPS retrospectively in order to get the benefit of higher pension.
Another point for consideration is whether the following amendments made under the notification in 2014 and quashed by the Kerala High Court in 2018, shall be valid, including:

- Increase in wage ceiling and pensionable salary from INR6,500 to INR15,000 per month
- Non-coverage of new employees (including International Workers) under EPS if their monthly pay exceeds INR15,000

Source: https://www.youtube.com/watch?v=Q2aOnu7p-bA

### 30. PUBLIC, PRIVATE PARTNERSHIP IN RAILWAYS

**Introduction:**

- Finance Minister Nirmala Sitharaman in her budget speech said that the Indian railways will use Public Private Partnership model for faster development, rolling stock manufacturing and the delivery of freight. Railways will need 50 lakh rupees between 2018 to 2030 to complete the sanctioned projects. Finance Minister gave the Indian railways highest ever outlay for capital expenditure amounting to 1.6 lakh crores rupees and a budgetary allocation of 65837 crores rupees. The railways would invest more in sub-urban railways through special purpose vehicle like rapid regional transport system. Railways are also expected to launch a massive station modernization plan this year.
- Indian Railways (IR) has been the prime movers of the nation. IR is the second largest railway system in the world under single management. IR has historically played an important integrating role in the socio-economic development of the country. Despite reforms, the efficiency of service delivery is stumbling block in overall progress.

**Potential areas where private participation can be done:**

- Indian railway is suffering from low investments, poor capacity, congestion, low speeds, and poor conditions of railway stations.
- The resources are not sufficient to make up for the investments required.
- PPP approach can be used to transform the railway in different areas comprising from ticketing, catering, station construction and upkeep, rolling stock manufacturing, signalling etc.
- The Bibek Debroy Committee, which was set up to suggest ways to mobilise resources for the Indian Railways and restructure the Railway Board, has favoured privatisation of rolling stock: wagons and coaches.

**Benefits of private investment in Railways:**

- Opens opportunity for returns from investment in Rail Projects.
- **Improved Infrastructure** – It will lead to better infrastructure which in turn would lead to improved amenities for travelers.
- **People’s expectation has changed and we need to cope up with those so private investment is the way for providing higher services.**
- **Lesser Accidents** – Because private ownership is synonymous with better maintenance, supporters of privatisation feel that it will reduce the number of accidents, thus resulting in safe travel and higher monetary savings in the long run.
- Augmentation of railway infrastructure and decongestion of the railways.
- Ensure timely availability of Rail Infrastructure to the beneficiaries viz. Port, Industry and States.
- Better maintenance and efficiency in implementation of projects.
- It leads to simplification of cost recovery for the money spent by the government in setting up the infrastructure. It would be profitable as the government would charge the operator
- The move would foster competition and hence lead to overall betterment in the quality of services.

**Challenges:**

- Absence of independent regulator in the railway sector. In the absence there are chances of litigation or other issues as cropped up in the road sector.
- Government has water, river, health and education to look for and therefore limited finance available for railways.
- **Coverage Limited to Lucrative Sectors:** An advantage of Indian Railways being government- owned is that it provides nation-wide connectivity irrespective of profit. This would not be possible with privatisation since
routes which are less popular will be eliminated, thus having a negative impact on connectivity. It will also render some parts of the country virtually inaccessible and omit them from the process of development.

- **No past experience in the PPP model** for the implementation of projects for railways.
- **Fares**: Given that a private enterprise runs on profit, it is but natural to assume that the easiest way of accruing profits in Indian Railways would be to hike fares, thus rendering the service out of reach for lower income groups.
- Trade Unions.
- **Affects socio-economic development**: This will defeat the entire purpose of the system which is meant to serve the entire population of the country irrespective of the level of income.
- **Accountability**: Private companies are unpredictable in their dealings and do not share their governance secrets with the world at large. In such a scenario it would be difficult to pin the accountability on a particular entity, should there be a discrepancy.

**Way forward:**

- Link increase in passenger fares to better passenger services.
- Dedicated freight corridor to generate capacity.
- Create a separate company for railway infrastructure.
- Policies need to be aligned.
- Open access for any new operator who wishes to enter the market for operating trains.
- Separate suburban services and run them as joint ventures with state governments.
- Private entry into running both freight and passenger trains in competition with Indian Railways.
- Separation of rail track from rolling stock.

**Conclusion:**

- High costs and lower returns, policy uncertainty, absence of a regulator to create a level playing field, the lack of incentives for investors and procedural or operational issues have significantly restricted private sector participation.

Source: [https://www.youtube.com/watch?v=fUNDB5fpQ5k](https://www.youtube.com/watch?v=fUNDB5fpQ5k)

### 31. CONSPIRACY AGAINST JUDICIARY

**Introduction:**

- The Supreme Court called the Directors of the Intelligence Bureau (IB), the Central Bureau of Investigation (CBI) and the Delhi Police Commissioner to look into the material furnished by lawyer Utsav Bains in support of his allegations in the framing of Chief Justice Ranjan Gogoi in a false sexual harassment case. A bench comprising Justice Arun Mishra, Justice Rohinton Fali Nariman and Justice Deepak Gupta met all the three officers in their chambers.
- The Apex Court asked Bains to file an additional affidavit to substantiate his allegation that three disgruntled employees of the Supreme Court conspired along with corporate lobbyists to frame sexual harassment allegations against the CJI.
- After the hearing, Justice Mishra dictated the order, asking for another affidavit by Bains regarding his allegations against the sacked employees. The Court also said that it will decide the issue if privilege can be claimed over the communications between Bains and the alleged conspirators. The bench also clarified that this will not affect the pending inquiry by the in-house panel.
- **Amongst all the three organs of the Government, i.e. the Executive, the Judiciary and the Legislature, even after whatever has happened, the Judiciary commands more respect as compared to the other two organs. Further, it is the faith of the common man in the judiciary, which makes him have faith in the democratic process.**
- If such kind of allegations have been made against the senior officers without proper investigation, the issue should **not be highlighted in the press**. This is because, in the absence of a material which is proved on the basis of record, it definitely puts a dent on the image of the Judiciary. To maintain the image of the Judiciary, certain things must be kept under guard and it must come in the public domain only if there is a definite evidence available on record.
• **Institutional integrity needs to be maintained**, and for maintaining institutional integrity, if certain new procedures need to be established, without compromising on the basic principles of natural justice, that should be encouraged. We have to evolve these principles so that institutions can enjoy the reputation which they are supposed to enjoy.

**Is there a conspiracy against the CJI?**

• Justice Ranjan Gogoi is the third CJI, against whom certain allegations have been levied. Before him, Justice JS Khehar, and Justice Dipak Mishra had witnessed circumstances where allegations were hurled against them. Thus, there are two parts to it:
  1. One, the nature of allegations made by a dismissed Supreme Court employee against Justice Ranjan Gogoi. This is being dealt with by a **committee headed by Justice S.A. Bobde**.
  2. Second is the larger conspiracy that has been alleged by advocate Utsav Bains, in his affidavit filed before the Supreme Court. Bains appeared before the court and he told the court that he has some additional material, which he would be filing in the form of an affidavit.

• **Further, Attorney General and Solicitor General have attempted to suggest to the Court that there should be an SIT probe.** The Court has denied an SIT probe at this stage.

**Procedure while dealing with complaints of criminal misconduct concerning the higher judiciary or the CJI or a top judge:**

• There is an **in-house mechanism already in existence**, which is that whenever a complaint is received against a judge, it should be investigated by a committee and a report is to be submitted to the Chief Justice of India. After this the Chief Justice of India takes a call in consultation with the other judges as well as to what further action has to be taken. Currently, the Constitution of India provides only for impeachment. No other punishment is prescribed.

• **But as far as the Chief Justice of India himself is concerned, there is no separate mechanism prescribed.** Therefore, in this particular case, the decision taken and investigated by the three judges of the Supreme Court is a well thought of decision.

**Measures needed:**

• **An independent enquiry towards complaints of Sexual harassment is needed to uphold the credibility of the SC.**

• The Gender Sensitization and ICC should inquire into the affidavit of the complainant to ensure justice is done.

• The focus now shifts to the judges, excluding the CJI, who were all sent a copy of the affidavit and the complaint.

• Their response, as members of the Supreme Court, is bound to define the path which will guide the institution in dealing with the crisis.

• The apex court could also respond to the institutional crisis through a full court being convened on the administrative side.

• In the issue of allocation of cases
  o A just and fair roster must be one that is divided subject-wise among judges according to their experience and expertise in those subjects must be decided.
  o Politically sensitive matters should be before the five senior judges of the Supreme Court. Among them, the allocation of individual cases must be by random computer allocation not by the individual decision of any human.
  o For other cases as well, if there is more than one judge dealing with a particular subject then cases belonging to that subject should be randomly allocated among the various judges to whom that subject has been allocated.
Conclusion:

- The independence of the judiciary is not under threat. The judiciary itself exercises restraint when it comes to exercising its power with regard to these type of allegations.
- Need to work on the topic like if the case the allegations are proven to be true, then what other process can be adopted other than impeachment.
- **Judicial Standards and Accountability Bill**, which was introduced in the Parliament a number of times, but could not be passed, should be considered so that people also get the confidence that the judicial officers are also accountable in case they are proven of misconduct, and there are procedures laid down for the same.
- Thus, if procedures that are regulated by law are enforced then both the print media as well as the new media can possibly exercise greater restraint. They would also think twice before publishing reports and check for the authenticity of such reports.
- It is hard for the judiciary and judges to insulate themselves from threats and false accusations. So the need is of enforcement of some kind of a procedure to deal with such issues and situations. **The credibility of the institution would get enhanced if there is a credible mechanism to deal with such situations.**
- Issues should not be politicized and should be viewed on the merits of the case.
  The politicisation of this case in all its dimensions is not a good portent for the judiciary. There is a need for the SC judges and the authority they command to create a credible internal culture which ensures the independence of the judiciary.
- **Update**: The Committee has given a clean chit to CJI Gogoi and concluded that there is no substance in the allegations of the complainant.

Source: [https://www.youtube.com/watch?v=msDa1-06Dw](https://www.youtube.com/watch?v=msDa1-06Dw)

# 32. INNOVATION INDEX

**Introduction:**

- In a big development, **India is now ranked 52nd on the Global Innovation Index 2019, a jump of 5 places over last year, and 29 places in the last five years – up from 81 in 2015.** Facilitating entrepreneurship through innovation is a critical component under the vision of Modi government’s new India by 2022. According to the Commerce and Industry Minister, Piyush Goyal. India’s consistent rise at the global innovation index is a testimony of its people’s entrepreneurial prowess.

**About the Global Innovation Index:**

- **Published annually** since 2007, the **GII is now a leading benchmarking tool for business executives, policy makers** and others seeking insight into the state of innovation around the world.
- The study draws on the expertise of its Knowledge Partners: the Confederation of Indian Industry (CII), Dassault Systèmes – The 3DEXPERIENCE Company, and the National Confederation of Industry (CNI) and Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE), as well as an Advisory Board of eminent international experts.
- **The core of the GII Report consists of a ranking of world economies’ innovation capabilities and results.**
- Recognizing the key role of innovation as a driver of economic growth and prosperity, and the need for a broad vision of innovation applicable to developed and emerging economies, the GII includes indicators that go beyond the traditional measures of innovation, such as the level of research and development.
- **GII 2019 Theme**: “Creating Healthy Lives – The Future of Medical Innovation”
- The GII is concerned primarily with improving the journey towards a better way to measure and understand innovation and with identifying targeted policies and good practices that foster innovation. The GII creates an environment in which innovation factors are under continual evaluation, including the following features:
  - 129 country/economy profiles, including data, ranks, and strengths and weaknesses
  - 80 data tables for indicators from over 30 international public and private sources, of which 57 are hard data, 18 composite indicators, and 5 survey questions
A transparent and replicable computation methodology including 90% confidence intervals for each index ranking (GII, output and input sub-indices) and an analysis of factors affecting year-on-year changes in rankings.

The GII 2019 is calculated as the average of two sub-indices.

1. The Innovation Input Sub-Index gauges elements of the national economy which embody innovative activities grouped in five pillars: (1) Institutions, (2) Human capital and research, (3) Infrastructure, (4) Market sophistication, and (5) Business sophistication.

2. The Innovation Output Sub-Index captures actual evidence of innovation results, divided in two pillars: (6) Knowledge and technology outputs and (7) Creative outputs.

For the ninth consecutive year, the Joint Research Centre (JRC) of the European Commission audited the GII calculations.

About WIPO

- The World Intellectual Property Organization (WIPO) is the global forum for intellectual property policy, services, information and cooperation.
- A specialized agency of the United Nations, WIPO assists its 192 member states in developing a balanced international IP legal framework to meet society’s evolving needs.
- It provides business services for obtaining IP rights in multiple countries and resolving disputes.
- It delivers capacity-building programs to help developing countries benefit from using IP. And it provides free access to unique knowledge banks of IP information.

For the first time, the GII launch is being hosted by the Government of India, which uses the GII in creative ways to strengthen its policy framework for innovation at both the national and regional levels.

- “The 2019 launch of the Global Innovation Index in India is a significant event and a recognition of the Government of India’s commitment to innovation in recent years,” said Minister of Commerce and Industry & Railways Piyush Goyal. He added: “The GII is a useful tool for governments to map out their strategies to foster innovation. The Government of India compliments the World Intellectual Property Organization for its efforts in this direction.”

Top 10 in Global Ranking All 2019 rankings

1. Switzerland
2. Sweden
3. United States of America
4. The Netherlands
5. United Kingdom
6. Finland
7. Denmark
8. Singapore
9. Germany
10. Israel

GII 2019 Key Findings:

- The global landscape of science, innovation, and technology has undergone important shifts over the last decades. Middle-income economies, especially in Asia, are increasingly contributing to global research and development (R&D) and international patenting rates via WIPO’s International Patent System.
- The GII 2019 shows that public R&D expenditures – particularly in some high-income economies – are growing slowly or not at all. This raises concerns given the public sector’s central role in funding basic R&D and blue-sky research, which are key to future innovations;
- Increased protectionism poses risks. If left uncontained, it will lead to a slowdown of growth in innovation productivity and diffusion across the globe;
- Innovation inputs and outputs are still concentrated in very few economies. Divides also persist in how effectively economies obtain return on their innovation investments. Some economies achieve more with less;
- Most top science and technology clusters are in the U.S., China, and Germany, while Brazil, India, Iran, the Russian Federation, and Turkey also feature in the top 100 list. The top five clusters: Tokyo-Yokohama.
India:

- **India maintains its top place in the Central and Southern Asia region as the 52nd ranked economy this year.**
- From 81 in 2015, India’s 29-place move up the GII represents the biggest jump by any major economy.
- Thanks to its high-quality scientific publications and universities, **India remains 2nd among middle-income economies in the quality of innovation.**
- It maintains top ranks in a number of important indicators such as productivity growth and exports of services related to information and communication technologies.
- This year India reaches the **15th spot in global companies’ R&D expenditures.**
- It also features in the GII ranking on the world’s top science and technology clusters, with Bengaluru, Mumbai and New Delhi included in the global top 100 clusters.
- India also outperformed on innovation relative to its GDP per capita for nine consecutive years, only matched by three other countries. (Vietnam, Republic of Moldova, and Kenya)
- In comparison, India’s rank in World Bank’s Doing Business survey has improved 65 spots to 77th position in 2018.
- Commerce and industry minister Piyush Goyal releasing the report said the government will work hard to take the country to 25th ranking in next four years to meet the target set by Prime Minister Narendra Modi.
- India improved its ranking in four out of seven pillars of GII, such as knowledge and technology outputs (up 11 spots to 32nd), market sophistication (up 3 spots to 33rd), human capital and research (up 3 spots to 53rd), institutions (up 3 spots to 77th). By contrast, in business sophistication (65th), infrastructure (79th), creative outputs (78th), it lost one, two and three spots respectively.
- WIPO said India’s improvement this year is largely due to its relative performance and less so to new GII data or methods.
- In the “knowledge and technology outputs” pillar, which saw the highest 11 spot jump, India’s ranking improved for IP-related variables, notably patents by origin (52nd) and PCT patents by origin under Patent Cooperation Treaty (51st), and IP receipts (50th). In this pillar, India maintained its **top position in ICT (information and communications technology) services exports, where it ranks 1st in the world,** and in labor productivity growth with 4th position.
- India is consistently among the top in the world in innovation drivers such as ICT services exports, Graduates in science & engineering, the quality of universities, Gross capital formation—a measure of economy-wide investments—and Creative goods exports.
- Given its size—and if progress is upheld—India will make a true impact on global innovation in the years to come,” the report said.
- Among the sub-pillars, where India lost relative strength to other countries, the largest drops are found in logistics performance (down 9 spots to 43rd), Females employed with advanced degrees (down 10 spots to 103rd) and Printing and other media (down 12 spots to 88th).
- While India improved in the GII ranking, some relative weaknesses still persist. These include Environmental performance (125th), New businesses (100th), and Entertainment and media market 60th),” the report said.
- When it comes to quality of innovation which includes quality of local universities, internationalisation of patented inventions and quality of scientific publications, China, India, and the Russian Federation hold the top 3 positions among middle income countries with India ranking 26th globally.
- India ranks 2nd among the middle-income economies, with top positions in quality of universities and in quality of scientific publications,” the report said.
- Indian Institute of Technology situated in Bombay, Bengaluru and Delhi occupied the 8th, 9th and 10th rank respectively among the top 10 universities in the middle income countries.
- In “Human capital and research” pillar, two important variables have improved for India: Gross expenditure on R&D (50th) and expenditure by global R&D companies (15th) which is a relative strength for the country.
- “Its (India’s) share in world R&D expenditures has increased since the mid-1990s, but less sharply than other middle-income countries, such as China, or other Asian powerhouses, such as the Republic of Korea.
- In Global R&D companies, India reaches the 15th spot as the second middle-income economy.
- In this pillar, the indicator Graduates in science and engineering (7th) remains a relative strength for the country,” the report said.
Homework which India has done:

- India is strongly committed to the **2030 agenda including SDGs**.
- India is trying to achieve it with research and innovation in various areas.
- In 2016, India launched its Flagship innovation programme **Atal Innovation Mission (AIM)** which focusses on scaling startup incubation centres and promoting innovation cultures through school children.
- One of the significant areas where India is banking on innovation to make an impact is the development of **Renewable Energy Infrastructure**.
- Innovative measures has also helped India’s Space Programme make huge strides.
- Even launched a **students satellite Kalamsat in 2019**. India has made historic advances with the **launch of Chandrayaan2**.
- India has **launched 239 satellites for 28 different countries as of October 2018**.
- All satellites were launched using ISRO’s PSLV expendable launch system.
- ISRO successfully launched 104 satellites by a single rocket on 15th February 2017 of which 3 satellites are Indian satellites.
- **Artificial Intelligence** is expected to more than double the rate of innovation and employee productivity in India by 2021.
- Only one-third of organisations have embarked on their AI journeys. Those who have already adopted it are expected to increase their competitiveness by 2.3 times in 2021.
- Dawn of mobile technology, data availability and the explosion of open-source software also provides AI huge playing field in the Banking Sector.
- NITI Aayog has launched ‘National Strategy for Artificial Intelligence’.
- **Energy and Power utilization drive**: India has made a significant improvement and through government initiatives now the utilization of power at each and every village is made possible in a time-bound manner.
- Automobile Sector: India is popularising Electric vehicles due to multiple reasons: Eco-friendliness, cheaper fuel cost, lower maintenance expenses, etc.
- There are around 15000 startups out of which 5000 are deep technology-based.
- Department of Science and Technology recently launched a mission in Cyber-physical systems that would create human resources in the country.
- India’s scientific publications are growing at 14% every year compared to the global average of 4%.

Source: [https://www.youtube.com/watch?v=Up2ehK7ymKw](https://www.youtube.com/watch?v=Up2ehK7ymKw)